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CONFRONTATION OR COMPROMISE ?

**The Meaning of Worker
Participation
in the Management
of Capitalist Enterprises**



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Translated from the Russian
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КОНФРОНТАЦИЯ ИЛИ КОМПРОМИСС?

**ЧТО ОЗНАЧАЕТ УЧАСТИЕ РАБОЧИХ В УПРАВЛЕНИИ
КАПИТАЛИСТИЧЕСКИМ ПРЕДПРИЯТИЕМ**

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INTRODUCTION

Today's labour and capital relations in the sphere of production management assume forms which until quite recently were either not widely used or were of little significance.

An intensifying confrontation, that has an increasing influence on all aspects of the class struggle, between hired labour and entrepreneurs is being noted in matters relating to management decisions, including the closing down of enterprises, their transfer to other countries, and the reduction of jobs as a result of rationalization of production, i.e., practically all issues relating to capital investment policy and the use of labour force. Even the traditional conflicts regarding wage-rates that emerge in the process of re-examining collective agreements acquire not only an unprecedented acuteness but a somewhat new quality as well, while their long duration and the unyielding attitude of the sides involved, may be explained not only by purely material reasons but by something else which is connected with the prerogatives of economic power.

The workers' rights to timely information concerning management decisions, objections to them and control over their implementation, are increasingly becoming a direct source of conflicts. This was the case in Italy in 1976 when due to a powerful strike movement many trade unions were able to have paragraphs included into collective agreements that stipulated their advance acquaintance with investment programmes, the submission of information on the location of production, a right to information concerning the transferring of the work force. This was also the case in the autumn of 1980 in West Germany, when the workers of the Mannesmann concern went on strike in defence of their rights to the participation in management. This conflict which

spread to government spheres led to tense relations within the governing coalition and between it and the trade unions and to discussions concerning the need for a new law. Problems that were essentially managerial, such as plans to rationalize production or to close enterprises, turned out to be at the centre of the stubborn struggle during the strike of the English miners in 1984-1985 which was one of the longest in the history of industrially developed countries. According to the findings of the European Trade Union Institute, the demands presented by the trade unions of West European countries in the process of collective bargaining, reveal that one of the principal objectives of trade unions in the near future will be the protection and expansion of workers' rights in the sphere of production management.

In addition, an expansion of various forms of workers' participation in the management of capitalist production that had not existed previously is being observed.¹ Moreover, government bodies, even representatives of capital, often are the initiators of participation and the creators of its models. Thus, in Sweden and Belgium the new laws concerning participation were initiated by associations of entrepreneurs. Today, institutionalized forms of participation are characteristic of the majority of industrialized countries of Western Europe. Whereas in 1971, West Germany was the sole country where workers were represented at supervisory councils of private capitalist firms, today such representation, with certain differences in form, exists in Luxembourg, Norway, Sweden, Austria and the Netherlands. Almost everywhere in Western Europe, workers are represented in administrative bodies of enterprises as well as in factory production councils (committees). Moreover, in many countries such participation is legalized (for example, in Belgium, West Germany, France, the Netherlands, Luxembourg, Austria, Turkey and Portugal). In some countries, participation takes place on the basis of agreements between trade unions and the administration. The governing bodies of the Common Market (EEC) are making attempts to introduce a unified model of hired workers' participation in the management of enterprises and companies into all member countries, in order to provide for a drawing closer of legislative positions that determine the role of workers in decision-making. Similarly, attempts are being made to use participation to reinforce the greatly weakened "family-like" relations at enterprises in Japan; in different forms this is also taking place in the United States and in Latin American countries.

The concept of "participation" itself that generalizes various forms of influence of hired labour on production management in capitalist conditions, has been accepted relatively recently and is still not universal. In different languages the term "participation" which in essence has the same meaning, possesses certain connotations, especially when applied to concrete models, systems, and forms of participation.² In a number of countries, it is basically applied to institutionalized forms of workers' influence on management decisions but does not refer to collective agreements and occasionally even has negative overtones associated with "social partnership". Nevertheless, the concept of "participation" which reflects a comparatively new and developing social phenomenon, is used more and more frequently both in scientific and in political literature for it conveys this phenomenon in its more general form.

Concepts such as "democratic control" and "workers' control" that are close in meaning to "participation", are also widely used. Since they are often employed in nearly synonymous ways in scientific and especially in political literature, in this work as well, they will often appear in close association with "participation". However, there is also need to separate all these concepts by noting at least the following.

Compared to the participation of hired workers in the management of capitalist production, "democratic control" is a wider concept. In the first place, it presupposes control over the economy by society at large and not only by hired workers at the enterprise (association, sector). Secondly, it involves not only the management sphere but property relations more directly, i.e., as a rule it assumes the socialization of production on a varying scale that enables the government to control the economy.

The concepts of "participation" and "workers' control" are close but not identical. The latter is now used in more than one way. This term may refer, first of all, to the general idea of limiting the economic power of capital (its decisions in production, circulation, distribution) by the working class, a democratic demand that was most clearly formulated and substantiated by V. I. Lenin under conditions of a revolutionary situation in Russia. Moreover, it presupposes a system of concrete means of influence by workers of a given country, sector, enterprise on decisions of the administration (through trade unions and other workers' organizations on the basis of collective agreements). Participation in management as a historically evolved form of influence of workers on management

decisions in the sphere of production, may be viewed as a specific stage along the path to workers' control in the broad sense. But in the second case, workers' control (in its narrow sense, a system of concrete measures limiting capital or capitalist government in production decisions) is viewed as a kind of participation in the management of production.

The participation of workers in the management of production, in its turn, appears in several dimensions or manifestations, as it were, or to be more precise:

- as actual practice of modern capitalism, historically shaped and appearing in various concrete forms (for the time being we will ignore the degree to which this "participation" does in fact influence management decisions);

- as a democratic demand on the part of the workers and, at the same time, as an attitude of a significant part of employers, i.e., an ideal conception that is embodied in those demands and attitudes that presumes the continued existence of the foundations of capitalist economic relations;

- as an ideal of hired workers, associated with a radical transformation of economic relations, with socialized property and its collective management.

The problems of the conflicts between labour and capital in the sphere of production management, the influence of workers on management decisions, i.e., all that refers to "participation" or "worker control," "democratic control," "industrial democracy," or "co-participation," has become the subject of wide discussions and of an ideological and political struggle. The complexity and contradictoriness of the social phenomena that have produced these problems have led to a situation in which polemics have begun not only between representatives of differing political and social currents, but within them as well. Nor does a common viewpoint on this subject exist even among Communists. In the meantime, the practice of participating in more and more diverse forms at various levels—ranging from a work place to entire sectors—demands, with increasing urgency, theoretical clarity and a definite political position on the part of all representatives of the workers' movement. This concerns extremely important questions: does participation strengthen or weaken the position of capital, and does it expand the actual rights of workers or serve only to increase the degree of their exploitation? Does it lend itself to the mobilization of the working class for a struggle for radical, revolutionary transformations or does it throttle it by introducing the spirit of

"social partnership" into relations between labour and capital? It is becoming increasingly clear that the workers' movement and Marxist-Leninist parties are faced with a relatively new phenomenon and a situation in which a mechanical application of ready-made formulas is dangerous. What is needed is a creative correlation of theory based on previous experiences with the specifics of modern reality.

Events in Portugal and Chile have in their own way attracted attention to problems of participation. They have made it necessary to view the problem in its right perspective, since once again, when applied to modern conditions, they have shown that with the coming to power of revolutionary forces a fierce struggle develops around the issues of production management while mistakes in this sphere prove to be extremely costly.³

From the point of view of all the circumstances that have been mentioned the following appears important:

- to reveal the socio-historical roots of the phenomenon of participation and its objective foundations; to trace the tendencies of changes in these objective conditions and, consequently, the tendencies for the development of participation, and to note its specific modern forms and content;

- to establish the basic motives and objectives of interaction of the two main sides within the system of participation—of the representatives of labour and capital, and to determine the nature of this interaction as well as the role and place of participation in the system of modern economic relations of capitalism, i.e., to reveal those factors that make it possible for Communists to work out an adequate methodological approach to participation;

- to examine, from the point of view of the objectives of the Communist movement, the interconnection between the content of participation and concrete historical conditions, the socio-political situation, the class struggle and the degree of its development;

- to outline the role and place of participation as a concept and practice within the struggle of the working class in defence of its daily interests and for radical transformations in society and to reveal the possibilities and limitations in this area;

- to compare views concerning participation of Communists of various countries and to disclose the more essential features of a constructive alternative to bourgeois and reformist concepts of participation.

Soviet researchers have carried out extensive studies, examining the phenomenon of participation of workers in the management of capitalist enterprises as well as the positions of communist parties and other political and social trends.

The problem has been extensively studied by Marxists in West Germany. The history of participation and its economic, political and ideological aspects were examined especially thoroughly in the collective study by the Institute for Marxist Research in Frankfurt-on-the-Main entitled *Participation as an Aim of Struggle*, in which the demands for participation are characterized as an important component in the struggle of the working class for democratic rights and as an essential aspect of its class strategy.⁴ This book contains a Marxist analysis of the position of the principal political parties and trade unions as well as an elaboration of the Communists' strategy with regard to participation. Much attention in the Marxist literature in West Germany is devoted to a direct analysis of specific laws, to a demonstration of their limitations, as well as of possibilities and ways of using them by the working class for its own objectives.⁵

Through continual research, West German Communists substantiate and clarify their own positions, proposals and demands that apply to the changing conditions of the working-class struggle and publish their materials periodically in special editions.⁶ Recently, increasing attention has been given to problems of participation and self-management by Communists in France, especially by the scholars of the Institute of Marxist Studies of the Central Committee of the French Communist Party,⁷ as well as by the Communists of Italy, where, in particular, extensive discussions were held which examined questions concerning the interconnections between the technical modernization of production and the class influence of workers at enterprises.⁸

In recent years, the efforts of communist and workers' parties to directly compare views on problems of participation and cooperate in their theoretical resolution, have been noted. In particular, possibilities for such discussions have been provided by the journal *World Marxist Review*. Questions concerning the opposition of labour and capital in the sphere of production management have been discussed particularly extensively at a theoretical conference entitled "The Dialectics of Economics and Politics During the Struggle for the Revolutionary Transformation of Society" (Prague, January 17-18, 1978) in which Communists from 45 countries participated and at a symposium on "The Communist View

of Worker 'Participation'", organized by the journal jointly with the Board of the German Communist Party in the city of Leverkusen (December 13-14, 1979).⁹ The same theme was repeated at the symposium entitled "New Features and Problems of the Trade Union Movement in West European Countries and the Attitudes of Communists", organized by the journal jointly with the Central Committee of the Communist Party of Luxembourg (Luxembourg, April 21-22, 1982); at the symposium on the Communist Activity of Capitalist Enterprises, held jointly with the Central Committee of the Communist Party of Austria (Vienna, May 15-16, 1983)¹⁰ and at the symposium "The Working Class Against Social Injustice" co-sponsored by *World Marxist Review* and the World Federation of Trade Unions (Prague, 1988)¹¹.

In this book, the author relies on the methodology and theoretical positions formulated by Karl Marx, Frederick Engels, Vladimir Ilyich Lenin and elaborated in documents of the Communist Party of the Soviet Union and those of fraternal parties. A wide selection of references were used: documents of communist and workers' parties, as well as those of other political organizations, official documents, laws, statutes, materials of trade unions and of associations of entrepreneurs, of a number of international organizations, and sociological studies data.

The author was able to acquaint himself directly with the way in which the system of participation in management functions at enterprises in West Germany (in the cities of Bochum, Dortmund, Cologne) and Luxembourg (in the cities of Asch-sur-Alzette and Differdange), with the experiences of the struggle for democratization of production management in Italy, Norway, Denmark, and of communist parties in other countries.

Without claiming to have written a comprehensive account of the many-faceted problem of participation, especially all of its history or the positions held with regard to it by all political and social forces (such a study would require a collective effort), the author sought to reveal the content of participation by analyzing primarily economic and social factors that produced this phenomenon and by examining participation as a historical category, as a phenomenon undergoing changes in the process of the development of conflicts between labour and capital.

Above all such an approach raises the following question: why was it that opposing sides—workers and entrepreneurs—proved to be interested in participation?

NOTES

¹In order to simplify matters and to save space the term "participation" will generally be used. As is the practice in publications, it shall not be placed in quotation marks each time even when referring to the curtailed rights of workers of capitalist countries.

²For example, there is the German term *Mitbestimmung* (co-involvement or joint decision) that corresponds to generally established forms of mutual relations between labour and capital in the sphere of management, that have appeared in West Germany; but there is also the term *Teilnahme* which is wider in meaning and is used less frequently; in French *participation* and *cogestion* (joint management), and in English *participation* and *co-determination*, although there the term "industrial democracy" is used more often.

³Alvaro Cunhal, *A Revolucao portuguesa o passado e o futuro*, Editorial "Avante!", Lisbon, 1976, pp. 80-84.

⁴*Mitbestimmung als Kampfaufgabe. Grundlagen – Möglichkeiten Zielrichtungen. Eine theoretische, ideologische und empirische Untersuchung zur Mitbestimmungsfrage in der Bundesrepublik*, Pahl-Rugenstein Verlag, Cologne, 1972, p. 25.

⁵Gerd Siebert, *Betriebsverfassungsgesetz '72. Vollständiger Wortlaut – kommentiert für die Praxis. 2. Auflage. Nachrichten-Verlags-Gesellschaft*, Frankfurt-on-the-Main, 1972.

⁶*Vorschläge der DKP für demokratische Mitbestimmung*. Herausgeber: Parteivorstand der Deutschen Kommunistischen Partei, Düsseldorf, 2., überarbeitete Auflage, April 1985.

⁷*L'Autogestion: une stratégie révolutionnaire, une démarche au présent. Colloque des 6-7 et 8 juin 1980*, Institute of Marxist Studies (s.l., s.a.).

⁸*Rinascita*, No. 2, 19 January 1985, pp. 6-8; No. 10, 23 March 1985, pp. 36-38.

⁹*World Marxist Review*, Nos. 3, 5, 6, 1978; Nos. 5, 7, 1980.

¹⁰*Ibid.*, No. 12, 1982, pp. 52-74; No. 10, 1983, pp. 50-63.

¹¹*Ibid.*, No. 5, 1988, pp. 84-98.

Chapter One

THE SOCIO-HISTORICAL ROOTS OF PARTICIPATION

Production management is neither something neutral with regard to the interests of the sides taking part in production nor is it merely a means for its organization. The founders of Marxism uncovered a duality in the function of management under capitalism and showed that management "is not only a special function, due to the nature of the social labour process, and peculiar to that process, but it is, at the same time, a function of the exploitation".¹ Consequently, management by capitalists (or their trusted persons—this does not in the least change its essence), is subordinated to the immediate objectives of capitalist production—the increase of capital. The aim of hired workers who are involved in the management of production to varying degrees, naturally, appears as being quite the opposite, just as wages and profit are objectively opposite in conditions of capitalist production. Why is it then that together with an increase in conflict in the sphere of management a development of participation is also possible? How are the objectives of opposing sides in production related within the participation system?

It may be assumed that a certain compromise is present here. However, viewing participation as a phenomenon basically connected with the sphere of consciousness and focusing on the ideological aspect of the problem, on the relationship between participation and the ideology of "social partnership", does not provide a sufficiently complete answer to the questions concerning the motives of actions of both sides or the character of the presumed compromise. In spite of the importance of these aspects, it is not there that one should search for the roots of the phenomenon.

A dialectical-materialist understanding of the essence of social phenomena consists in a recognition of the fact that all social relations are based on economic relations, which in each given society "present themselves in the first place as *interests*".² For this reason, it is natural to assume in this case as well that it is economic interests that motivate both sides, both "partners" of participation. What are these interests, and why, being opposed by nature, do they converge?

Why Does the Worker Wish to Manage

What motivates a worker to participate in the management of capitalist production? To answer this question, let us first turn to well-known propositions of Marxist-Leninist theory and certain historical facts examined in the light of this theory.

Economic interest, viewed not in the narrow sense as a purely monetary interest (let us say an interest in a wage increase), but in the wider sense — as a category of the system of economic relations, is invariably linked with the relation to the means of production. Since man lives by labour, the satisfaction of his need for means of production underlies the satisfaction of all other human needs. However, striving towards the satisfaction of this principal need is not only connected with providing food, clothing and housing. The question concerning the relation to the means of production is associated with the economic and social position of the individual (of the group, stratum, class) and the problem of changing this position.

It is not difficult to imagine that a slave, who himself was a means of production, after barely receiving his freedom discovers that he needs instruments and objects of labour. Without them he cannot exist physically, nor assert his new status in society as a relatively free person and not that of a slave. The peasant dreamed of his own plot of land, an artisan of his own workshop. This was what constituted their basic economic interests and on what their material welfare and social status depended.

Capitalism separated the producer from the means of production, leaving him only with the possibility of selling his labour power. The essence of the relations of a hired worker with the owner of the means of production within the framework of a capitalist society, manifested itself primarily in relations concerning the value of the labour power, or, in other words, the division of

newly created value into a share appropriated by capital and the share received by the worker.

Initially, the system of these relations was reduced to bargaining (by no means always peaceful), centred around the terms of the sale of labour power. At a certain stage of capitalist development, this order was reflected in the consciousness of the workers as something natural and immutable. However, even at the early stages of the development of capitalism, at first there appears a spontaneous, unconscious and then a more and more distinct protest of hired workers against their separation from the means of production. This protest even manifested itself in the actions of Luddites whose protests against the use of machines assumed the barbaric form of the destruction of the means of production. In effect, it was precisely in the means of production, alienated from them, that the workers saw something that was opposing them. "It took both time and experience," wrote Marx, "before the workpeople learnt to distinguish between machinery and its employment by capital, and to direct their attacks, not against the material instruments of production, but against the mode in which they are used."³ The protest assumed quite a different form and character in the Chartist movement, which introduced in the 1851 programme the demands for the nationalization of the means of production and the cooperation of labour.

Eventually labour movement combined with scientific communist theory. Communist and workers' parties formulated in a fully explicit way the objective of taking possession of the means of production. This became the central element of the class struggle of the more conscious part of the workers. The founders of Marxism emphasized that the political struggle turns "ultimately on the question of *economic* emancipation"⁴ and that "the economical emancipation of the working class is the great end to which every political movement ought to be subordinate *as a means*".⁵ Such emancipation is directly associated with the question of ownership of the means of production. Already in the *Manifesto of the Communist Party*, Marx and Engels wrote that in supporting revolutionary movements, in all these movements Communists "bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time".⁶ And today as well this is a central issue in the programme documents of communist and workers' parties.

However, from the point of view of the subject being examined here, what is essential is that with the economic socialization of

production the immediate producer cannot himself own the means of production that he uses directly in the process of labour and it becomes increasingly difficult to imagine the kind of identity of labour and property⁷ that is natural in the case of small-scale commodity production. The means of production can no longer be simply divided among the producers. And for this reason the problem of changing the socio-economic status of a hired worker by appropriating the means of production is no longer as simple and obvious as for a slave to acquire his freedom, a peasant — land, or an artisan — his own workshop. The realization of the producer's need to own the means of production turns out to be possible only in forms of a collective nature, in forms of joint possession, disposition and management, i.e., the need for the means of production inevitably acquires a transformed form. It becomes a need to participate in decisions concerning the use of economically socialized means of production. This is an objectively defined process but it creates a complex contradiction in the consciousness of people and often a confused perception of reality. To participate together with whom? Under what conditions? To what end?

These questions themselves are not immediately perceived by the workers and the search for answers is a difficult process. Scientific socialism has shown a way to a new society that represents "a community of free individuals, carrying on their work with the means of production ... in common"⁸ in which social production is controlled by social foresight.⁹ The experience of revolutionary transformations and the building of a new society has demonstrated that a collective ownership, disposition and management of the means of production is a realistic alternative even though in practice it is not a simple problem. When, as a result of the development of the revolutionary process, socialization of the basic means of production takes place as a social and juridical act, i.e., when they are transferred into the hands of the workers, it becomes especially evident that it is not the conversion of private property into social property *de jure* that matters, but a realization of social property *de facto*, a realization in a concrete mechanism of relations in the process of production and collective management that determines the actual position of the worker with regard to the means of production. However, social property itself contains a possibility (which is already being realized in one form or another) of not only the participation of all workers in production management, but the promotion to a higher level of the self-management of free associated

producers which was foreseen and substantiated by Marx, Engels, and Lenin.

While socialism possesses an objective basis for the realization of the need to manage, capitalism with its inherent antagonistic contradictions between labour and capital, cannot provide an adequate answer. But the need does not become less acute because of this. In quite a complex way, it is refracted in the consciousness of individuals and displays itself in more than one way, which is associated with characteristics of human consciousness itself.

The worker in a capitalist society is free in the sense that no one and nothing but the need to exist and support a family prompts him to sell his labour power. But having taken a job he is transformed into one of the agents of production, who is moved not by his own but by someone else's interest. He is part of the productive forces used for the purpose of increasing capital. How then is such a position reflected in his consciousness?

Marx characterizes this as estrangement. He emphasizes that estrangement, self-alienation of a worker manifests itself not only in the end result, in relation to the products of labour, but in the act of production itself, within the producing activity. "How could the worker come to face the product of his activity as a stranger, were it not that in the very act of production he was estranging himself from himself?" writes Marx. "The product is after all but the summary of the activity, of production. If then the product of labour is alienation, production itself must be active alienation, the alienation of activity, the activity of alienation. In the estrangement of the object of labour is merely summarized the estrangement, the alienation, in the activity of labour itself."¹⁰

Self-alienation of labour implies that to the worker labour is something external which "does not belong to his intrinsic nature; that in his work, therefore, he does not affirm himself but denies himself, does not feel content but unhappy, does not develop freely his physical and mental energy but mortifies his body and ruins his mind."¹¹ The external character of labour for the worker appears in the fact that "it is not his own, but someone else's, that it does not belong to him, that in it he belongs, not to himself, but to another".¹²

While at the economic level the need to manage is a transformed need in the means of production, at the socio-psychological level it is an opposition (and in a developed form — counteraction) to alienation.

But, the question arises, if such a position does not suit a worker and he would like to change his socio-economic status, why does he not immediately begin a decisive battle, and why does he not go to the barricades to fight for a new and better society where he will occupy a proper place? Because, above all, he is entirely a product of his society.

A major error in the analysis of the concept of man and even more so of the motives of his behaviour is that he was viewed and is sometimes still being viewed abstractly, as if his nature were given beforehand, as if he were created precisely as a person possessing an entire range of specific qualities. Such an abstract man transferred, for example, by advocates of abstract humanism into specific conditions—be they conditions of serf dependence or capitalist economic dependence, or even socialist conditions—this abstract man would suffer in any conditions, because he is not adapted to them, he did not grow up in them, he is not connected to that soil. These sufferings would be unbearable and certainly push him towards desperate actions. But this concerns an abstract imaginary man. An entirely different concept takes shape when following the founders of Marxism we view man as a product of specific production and social relations, and it seems to me we can even say, as a stage in the development of man, and at the same time, we take into account that the actual position of the producer in production and his alienation are perceived only by advanced social thought and not by all producers, when we consider all the complexities and delays in the reflection of real life in consciousness. Then we also begin to understand the evolution of the attitude of the worker to his socio-economic status *as a process* passing from the simple to the complex, from perceptions and emotions to his realization of his position and only then—to action.

The founders of Marxism repeatedly pointed out that “the economic situation does not produce an automatic effect as people try here and there conveniently to imagine”.¹³ If one proceeds from the proposition that only economic interest is expressed in politics, which is not refracted in people’s consciousness with a sufficient degree of complexity, then it is not possible to explain such phenomena as, for example, part of the workers following the bourgeoisie, bourgeois parties and occasionally finding themselves on the other side of the barricades from the most progressive part of the working class, as well as other strata of society. The founders of Marxism also pointed to the multi-dimensional character of

those interests which find their expression in specific actions of people, not in the least reducing these interests exclusively to the economic ones. Recognizing the latter’s priority, Marxists see all of the variety and complexity of these interests and relate them to culture, ethnic problems, world views, and religion.

The more complex the “aggregate of all social relations” and the more developed the essence of man and the richer—in the broad sense of the word—the conditions for his existence and his spiritual life, the greater is the need to combine the approaches and methods of various sciences in examining man’s state, his feelings and consciousness and the motives of his behaviour. Indeed, only a comprehensive study of man can provide a more complete explanation of the motives for his behaviour—both in the economic and the political spheres. It is our view that any social science cannot be limited to a “narrow specific” approach to human relations and to man.

Dialectical materialism proceeds from the proposition that every external action is refracted through the inner properties of that body or phenomenon to which it is applied. And all interactions are in this sense a reflection of some phenomena by others. Correspondingly, “all psychological phenomena,” notes S. L. Rubinsh-tein, a Soviet psychologist, “ultimately depend on external actions, but any external action determines a psychological phenomenon only in mediated form, refracting itself through the properties, state and psychological activity of the individual who is subject to this influence.”¹⁴

However, these inner conditions possess a relatively complex structure. There are two basic levels of psychological processes—conscious and unconscious, voluntary and involuntary. Consciousness does not cover man’s psychological activity completely. Psychological phenomena and conscious phenomena are not the same for there also exist unconscious and inadequately comprehended feelings.

Here we are interested in the consciousness and feelings not of individuals but of a specific category of persons, namely, workers in capitalist production, and not in their consciousness and feelings generally, but only those that are associated with particular economic relations. Of course, within a system of production relations individual workers may feel differently simply because of differences in their personal traits. It has been established, for example, that some people detest and cannot tolerate monotonous work, while others, on the contrary, are more disposed to carrying

out uniform operations. As a result, a worker who is engaged in monotonous work may experience different feelings, i.e., be satisfied or dissatisfied. Workers may experience different feelings in enterprises with different production microclimates. For our part, we are interested in something that is more general — the feelings of producers that arise precisely because of the specific economic relations that are characteristic of a given social system, and are common at least for a wide category of people operating within a given system of production relations.

In this context, reactions of producers, and in the present case of hired workers, to economic relations and to their own position within the system of these relations, may be distinguished in terms of several levels, depending on the depth of the reflection of reality, ways of their manifestation and their stability.

B.D. Parygin, a Soviet social psychologist, considers that socio-psychological phenomena pass through three basic stages in their development. The first stage is the emergence of a socio-psychological phenomenon, appearing spontaneously in an unconscious form. The second stage is its developing into a perceived and clearly expressed phenomenon of social psychology. The third stage is a transition from a perceived psychological state to behaviour (of a social group or an entire class) corresponding to this state.¹⁵ This approach to the problem of realization of basic economic interests and of the need to manage that invariably exists among hired workers, also helps us understand the phenomenon of participation in greater depth.

There is no doubt that this phenomenon stems from a certain balance of forces between capital and labour. At the level of the entire system of conflict between these forces, at the level of mutual opposition between classes it represents a specific form of compromise. However, this does not mean that for all workers this is a compromise between everything and nothing at all, i.e., between a complete possession of the means of production and a complete separation from them. A transition from a sense of alienation that was characteristic of the Luddites, for example, to the awareness of alienation, and even more so to actions stemming from this awareness, is a historical process that is still far from complete. The general level of the development of consciousness of the working class in modern society is such that these different levels coexist in time and space. Very wide sections of workers have not yet achieved the highest level, namely, a deep awareness of their own need for managing, an understanding that it may be

realized only through a transition from private property to social ownership and an understanding of a need to struggle for this. For those who basically accept the relations of a capitalist society or at least do not view their elimination and replacement by socialism as an immediate objective, participation is a realization in practice of their need to manage. In this case, the compromise consists only in that the workers would want to have more rights than they have so far attained.

Consequently, the need to participate in the management of production, since it is a transformed form of the need for the means of production, may (owing to the complexity of the reflection of the latter in the consciousness of workers) take either the form of a need to participate jointly with other producers in collective management of social property, a property that belongs to them, or in the form of a striving to influence the management of private property, i.e., participate in it jointly with owners and managers. Correspondingly, there are two approaches to participation associated with these phenomena in the consciousness of workers, of which we shall speak in more detail later — a revolutionary and a reformist one. The first reflects the class struggle, the second “social partnership”.

If one views all employees generally, they tend — be it at an unconscious level of spontaneous feelings and sensations or at a level of conscious awareness, including an awareness of a need for purposeful action — to overcome alienation, to change their position within the socio-economic mechanism and to occupy a worthy place in it.

How and in what form does this need manifest itself in present-day capitalist production?

Above all, the very expansion of participation in Western Europe is itself indicative. Worker representation bodies at enterprises exist practically everywhere. There are collective agreements in all countries, and, furthermore, the range of management issues specified in them has a tendency to expand. In many countries workers are now participating in the activities of supervisory councils and in the boards of private and government companies.¹⁶ Participation, including its institutionalized forms, has become a reality in other parts of the world as well — in Asia, in North and South America; and practical programmes of participation are being worked out in Australia.

More significant, a demand to expand the rights of employees in the sphere of production management is being made by

practically all trade unions. It is true that the nature of these demands varies.

It is widely accepted that there are two basic trade union concepts concerning possibilities for employees to influence decision-making within the framework of enterprises—the concept of legalized participation within decision-making bodies at individual plants and enterprises, and the concept of worker control through trade union actions to exert an influence on decision-making. The success of those actions depends on the trade union's strength.¹⁷

This reflects the actual position within trade unions in the most general way. However, recently trade unions have been increasingly engaged in struggling along several directions: to expand the rights of representation in supervisory councils and company boards; to obtain new rights and possibilities for worker representation bodies at enterprises; and for an expansion of the range of issues included in the collective agreements thus making them a more effective form of participation. Such a struggle on a wide front is characteristic of the trade unions of West Germany. They do not accept a juxtaposition of various forms of participation, and do not agree with the point of view, according to which institutionalized participation means integration and "social partnership" while the struggle for better terms in collective agreements precludes such a danger. In the opinion of Heinz Oskar Vetter, former President of the Federation of German Trade Unions, the conclusion of any collective agreement would represent, in one way or another, adaptation and integration since it implies that the employer is the owner of the enterprise and of the profits obtained as a result of everyone's work. "But," he then notes, "this has not yet provided anyone, including Marxists, with grounds for renouncing the use of tariff policies as an effective and indispensable instrument of trade union strategy."¹⁸ He therefore concludes that "integration and adaptation to the existing system are not instruments that trade unions use in order to achieve their socio-political objectives, but are a matter of policy and political conceptions, just as participation is not an objective in itself but a means to defend the interests of workers in the face of the entrepreneurs' policies."¹⁹ This thought has been elaborated in a number of studies by other leading officials of the Federation of German Trade Unions. It is another matter that while reflecting the opinion of workers in their statements they are by no means always ready to translate their words into action.

The Basic Programme adopted at the Fourth Extraordinary Congress of the Federation of German Trade Unions held on March 12-14, 1981, in Düsseldorf, and which, according to West German Communists, contains "realistic demands relating to specific objectives", like the Programme of Action, adopted by the Federation of German Trade Unions Board in June 1979, proceeds from the need to develop participation in institutionalized forms as well as a coordination of the tariff policies of branch trade unions and a struggle for the expansion of employees' rights stated in collective agreements. Even though the programme does contain several elements of the idea of "social partnership", it points to the need for control over large-scale capital and for counteracting its claims at all levels—ranging from work stations to the government level.²⁰ In 1982-1985, the Federation of German Trade Unions formulated the principles that should govern further improvements in the rules concerning enterprises, the concept of participation at work stations and other proposals for struggling against a "mass attack" by large-scale capital and the ruling coalition on already attained workers' rights in the sphere of production management. These new proposals closely link the struggle for participation with measures to oppose unemployment which is assuming catastrophic proportions.

In recent years, the General Confederation of Labour (CGT), France's largest trade union centre, has repeatedly made proposals concerning workers' participation in the management of production. One can judge the nature of the demands of the advanced part of France's trade union movement from documents that in effect are concerned with: the establishment of central committees of personnel at the level of company groups and of other similar bodies at the level of transnational corporations; access by these bodies to all information of an economic, financial and social character; the provision of employees with the right to free expression at enterprises of their opinion on all matters concerning them as well as a right to occupy elected trade union posts; an increase in the number of personnel representatives and members of committees of enterprises; and the removal of any constraints on the right to strike. These positions of the CGT reflecting its fundamental principles are also expressed in the documents of its congresses.²¹ Corresponding demands are only partly taken into account in the recently adopted laws that we shall discuss later.

From the early 1960s, Italian trade unions have actively sought to widen the range of issues in collective agreements, including

capital investment policy. In that connection, particular advances were achieved in 1976 as a result of a powerful strike movement. The positions of various trade union associations of the country have their own specific traits. The Italian General Confederation of Labour combines demands for broader workers' rights in the sphere of production management at enterprises with demands to increase the role of the government in control over production and of democratic planning and democratic control at the level of society as a whole. The positions of the Italian Confederation of Worker Trade Unions and of the Italian Labour Union differ from those of the Italian General Confederation of Labour: the former advocates the development of a self-management model while the latter advocates the experience of northern countries with regard to participation. In February 1977 a meeting was held of the leaders of all three Italian trade union associations with the Federation of German Trade Unions. At this meeting, as well as at a symposium on "Participation in Production Management" held in Milan in November 1977, the view was expressed that even though one cannot merely import the West German model into Italy one should nevertheless consider the experience accumulated in West Germany in this regard.²² Today this is viewed as an important task "to win new instruments of power and intervention at the place of employment under the direct control of workers".²³

The British Trades Union Congress (TUC) which also raises the question of widening the range of problems which are to be solved through collective agreements, attaches much significance to the activities of shop stewards and considers that experiments are needed concerning worker representation in executive bodies of firms.²⁴ In accordance with the proposals of a report on industrial democracy that was approved by the 106th Congress of the TUC (1974), a report was prepared by a special commission headed by Lord Bullock which found it necessary to pay more attention to the wish of workers to have direct influence on management decisions and proposed a system of participation based on a parity representation of workers and stockholders in company boards.²⁵

In the spring of 1983, an agreement was concluded between the trade unions and the Labour Party concerning participation at the national level. The creation of a ministry of economic and industrial planning was proposed that would be entrusted with the task of formulating five-year plans of economic development and of concluding agreements on economic development plans with individual firms. The activities of the ministry would be directed by

a National Planning Council (NPC) consisting of representatives of the government, the British Trades Union Congress and the Confederation of British Industry (CBI) that would evaluate the state of the national economy each year. Branch planning committees entering into the NPC would engage in the formulation of concrete plans for the basic industrial sectors, while the national investment bank would finance economic growth. It is assumed that the workers in the firms would receive new rights in order to carry out consultations and representation at the council level, and also to formulate their views in the field of planning, especially of a local and regional nature. Although there is no unanimity in the workers' movement as regards the agreement, the fact of its conclusion is significant in itself.

However, the point is not whether trade unions of particular countries recognize or do not recognize institutionalized or other forms of participation. Often, one would also find direct criticism of participation in trade union documents, as, for example, in the resolutions of France's General Confederation of Labour on a democratic management of enterprises in the context of economic and political democracy (reflections and proposals), and in a memorandum to the Minister of Labour entitled "Evaluations by the CGT of Government Projects". With regard to the inclusion of worker representatives in supervisory councils of companies, it states that such a participation "can in no way change the position of the mass of workers".²⁶ However, it would be incorrect to view such evaluations, both in this case and in a number of others, as a criticism directed against the expansion of workers' rights in the sphere of production management. On the contrary, this refers to the fact that various systems and projects do not provide such rights sufficiently and do not serve genuine participation but only the idea of "social partnership". Trade unions in Belgium, as Pierre Joye, a prominent researcher, states, "refuse to bear responsibility for the management of the capitalist system for the sake of so-called social solidarity" since "it is non-existent in a class society where the classes have opposing interests". However, they intend to continue to struggle for their rights.²⁷ And this is a typical example: those who renounce limited forms of participation because they do not find it possible in the given conditions to make it serve the working class, do so only in order to continue the struggle for genuine participation in a context in which workers will have acquired fundamentally new positions in the economy and in society.

Documents of the World Federation of Trade Unions (WFTU), the European Confederation of Trade Unions (ECTU), the European Trade Union Institute and others, show that increasing attention is being given to problems of the democratization of production management and the expansion of worker rights. As the danger of an attack on workers' rights on the part of the transnational corporations and in particular their ability to effectively oppose the workers' struggle and strikes by transferring orders from one country to another become more evident, trade unions have begun to address themselves to establishing control over this cosmopolitan capital.

Proposals by the World Federation of Trade Unions concerning an international mechanism to control the activities of transnational corporations that would be formalized in legislative terms, include a requirement to guarantee "workers' representative bodies to function at the level of the factory as well as of the transnational as a whole".²⁸ The ECTU Commission on the Democratization of the Economy drafted a resolution that was adopted at the London Congress of the European Confederation of Trade Unions (April 1976) entitled "A European Programme of Action with Regard to Multinational Concerns". In particular, it calls for workers' right of access to information and of consultation in relation to capital investments and for the establishment within all transnationals of worker representation bodies that would allow "employees and their trade unions to influence the objectives and policies of concerns".²⁹

In the sphere of control over managerial decisions, trade unions also seek possibilities for opposing the negative consequences of capitalist applications of new equipment and technology. In many West European countries (especially in Scandinavian countries and in Great Britain), special agreements between trade unions and management concerning new equipment and information systems have become widespread. In Great Britain, trade unions have already concluded hundreds of such agreements that limit the arbitrariness of employers in that sphere and the adopting of individual, one-sided decisions resulting in mass dismissals of employees.

The workers' need to participate in the management of production activities is also reflected in documents of communist and workers' parties. It is noted that "the current widespread interest in and discussion of industrial democracy is evidence of the strong feeling that working people should have a much greater say in the

decisions that affect them in their work situation"³⁰ and also that "workers and their trade unions call for greater participation".³¹ The problem of participation is viewed as an urgent one by Communists of not only West European countries but other regions as well. Communists in Japan have developed a set of "Proposals for the Japanese Economy" that envisage "a democratic planning of the economy and democratic control over big business". A programme document of the Communist Party of Canada entitled "The Road to Socialism in Canada", contains a call for democratic control and state intervention in the economy.³² Together with problems relating to winning and asserting national liberation, economic independence, and socio-political change, increasing emphasis is given by Communists in countries of Asia, Africa and Latin America to the democratization of production activities. In particular, the Communist Party of India considers it necessary to nationalize the monopoly houses and introduce effective worker participation in the management of the public sector at all levels.³³ Similar calls are contained in the documents of a large number of other communist parties. A symposium on "Scientific and Technological Progress and the Working Class of the Industrialized Capitalist Countries (1980s)" was held in Frankfurt-on-the-Main by *World Marxist Review* jointly with the Institute of Marxist Studies, the FRG, and attended by delegates from eleven communist parties from Europe, North America and Oceania. Speakers stressed that "it is not enough to provide protection against the negative social consequences of high-tech: work collectives must have a say in how it is introduced and how labour is organized. That is why the working people and their unions should have access to plans for remodelling production so that they could exert an influence on these, and put forward their own alternative proposals."³⁴ This reflects a real need on the part of workers to broaden their rights in the sphere of production management.

Direct actions by workers in defence of a system of participation in management or else strikes stating such demands, represent a persuasive argument. In our opinion it supports our view. The history of the workers' movement is marked by numerous such examples. They include far-reaching strikes by metal workers of West Germany in 1951 in defending their rights. The resulting pressure led to the adoption of a law concerning the workers' participation in management in the mining and metallurgical industries. Another example is the strike of workers at more than 40 enterprises of the Mannesmann concern in the summer of 1980 in connection

with an attempt by the management to reduce the scope of the rights provided by that law on the pretext of changes in the concern's structure, and also mass demonstrations by workers in defence of their rights in 1985-86. An effort to influence more actively decisions relating to production and to widen their rights in that sphere may also be clearly seen in many other mass actions on the part of workers.

Scholars in various countries holding different political views, as well as Soviet researchers, note that in the second half of the 1960s and in the 1970s, even in purely economic labour strikes workers expressed a striving that extended much further than for a mere increase in wages or an improvement of working conditions. Behind this one discerns those aspects of the social position of the working class that stem from their separation from power both in production activities and in society, and from processes of decision-making and management. Even the bourgeois authors of a detailed survey of the socio-economic and political situation in West Germany in 1981, analyzing the unusually large disparities in wages and salaries between members of the metal workers' union and the association of employers, note that this is merely an external manifestation of the deep contradictions associated with their rights in production management.³⁵

The observations and conclusions of Communists of Luxembourg are notable in this respect. An analysis of trade union demands shows that, as before, traditional questions of wages and the length of the working day remain the leading issues. However, as René Urbany, the Chairman of the Communist Party of Luxembourg, noted, they do not exist by themselves but are associated with the general conditions of production and distribution. For example, when trade unions work to achieve a certain percentage increase in the rates of pay, they compare it with the level of inflation and with retail prices for commodities and services. In Luxembourg, until the spring of 1982, the increase in wages and salaries largely matched the growth in the cost of living. In the spring of that year, the system of automatic indexation in effect ceased functioning and this provoked the largest demonstrations and strikes during the entire postwar period. A 40 thousand-strong demonstration took place on March 27, 1982 in the capital. On April 5, a 24-hour warning strike took place in which 80 thousand factory and office workers (half of the entire working population) participated. In exactly the same way, the struggle of trade unions to reduce the work-week and lower the pension age expressed not

only a desire to lighten the work load but, above all, a wish to increase employment. In addition, those demands acquire priority that are explicitly directed against production cutbacks in a number of industries and against capitalist rationalization that eliminates jobs, as well as in support of an economic regeneration of districts experiencing decline.

The nature of workers' demands reveals that the economic struggle is increasingly exceeding the bounds of its traditional concepts. Material demands serve increasingly as a specific expression of a protest against the entire set of economic and social working conditions. The workers' movement, noted René Urbany, is working to achieve a widening and deepening of the range of issues to be governed by collective agreements, in particular, the inclusion of matters relating to capital investments, the application of new equipment and technologies, vocational training. It is increasingly realized that it is no longer sufficient to wage a struggle over traditional demands, namely, the terms of payment of labour, even though it has become a vital issue in recent years. What is needed is intervention in management and control over capital. As an awareness of this develops, and as they seek to achieve control over capital, workers realize with increasing clarity their alienation from decision-making and management of production. It is therefore not surprising that demands relating to control and government participation in ARBED concern, which owns the entire steel industry of Luxembourg, are raised even in social democratic circles. Proposals by Communists to nationalize the concern and carry out a new policy in that industry are meeting wide response in trade unions.

In that connection, Communists address themselves to an extremely serious issue: "In its entire policy and activities, the Party reflects the most vital needs of workers. But in spite of the correctness of these actions, at times, do we not encounter the danger of underestimating those shifts that are taking place in the consciousness of workers and underestimating or at least not fully understanding what has now come to underlie even their economic struggle? In supporting, and correctly so, trade union demands, do we not find ourselves occasionally in a position of persons who simply repeat these demands without rising above them and proceeding farther? Do we not find there a certain element of economism, that derives from an insufficiently deep analysis of the actual consciousness of workers and of actual shifts taking place within it?"

This led René Urbany to conclude that if we take account of such new elements as a priority emphasis on the needs stemming from one's position in a system of economic and social relations, the development of a social ideal in the consciousness of the working class that is determined precisely by these new elements, concern for peace, the preservation of the environment and improving the conditions of the existence and development of human civilization that today have emerged as vitally important needs and demands of the working class, if we consider all these new elements taken together we will then face the problem of carrying out a deeper study of the structure and even the hierarchy of needs and of interests of the working class and perhaps as well of enlarging the very concept of *class interest*. Accordingly, this concerns the study of changes in the objective conditions, of changes in the working class itself and in its structure, and also of the reflection in the consciousness of workers of changes that have already taken place, of the evolution of the consciousness itself.

The takeover of enterprises by workers has become an extremely widespread form of protest, especially against the closing of enterprises. There is no doubt that this expresses above all a striving on the part of workers to draw the attention of public opinion to their problems. In many cases, however, workers have also sought to demonstrate their ability to manage production by continuing production activities and organizing marketing of output. One of the best known characteristic examples was the episode in the Lip watch factory in Besançon (France) that at the time attracted wide attention and was discussed in all its aspects in the press. (In 1973, in protesting against the closing of the enterprise which was declared unprofitable, workers took over the plant and organized production activities and the sale of watches on a cooperative basis.) At difficult times in the crisis, there were days and weeks in West European countries when workers took over several hundred plants. In Italy, in 1976, workers occupied more than 800 enterprises. And in France, in the spring of 1978, this number was 200. The events in 1984-85 that took place in the mines of England and steel works of France, are well known. There is no doubt that these actions not only vividly expressed protest against a one-sided decision on the part of capital concerning production activities but also an effort by workers to claim their right to the productive accumulations created by their labour.

Evidence of the employees' need to participate in production management is also provided by findings of sociological studies

and surveys carried out by a variety of government agencies, scientific and trade union organizations of capitalist countries. While some of these findings can only provide an indirect perspective on the subject (for the very formulation of questions was determined in accordance with the specific objectives of researchers, and also reflected their political commitments), taken together they reveal much information.

A survey carried out in West Germany in 1976 showed that two-thirds of employees consider a widening of their participation to be either a very important (21 per cent) or else important (45 per cent) problem and only 4 per cent consider it to be unimportant.³⁶ In that connection, it is important to keep in mind that this did not refer to participation generally or to the principle itself or some ideal system, but to a concrete system called *Mitbestimmung* (co-determination), that limits the rights of participation. Also in 1976, the Hart service agency in the United States concluded on the basis of a wide survey that 66 per cent of the population were dissatisfied with their inability to participate in decisions bearing on their production activities; 52 per cent approved the participation of workers and salaried workers in the formulating of the general policy directions of a firm; and 74 per cent wished to see their own representatives in corporations' directorates and boards. The findings of a survey carried out by Japan's Ministry of Labour in 1979, indicated that 90 per cent of the workers wished to know the managerial policy and state of affairs at enterprises and 88 per cent believed that it was necessary to reflect the views of workers in managerial policies.

There are data that appear to contradict these facts and conclusions. For example, according to a survey conducted in Great Britain in early 1983, while 47 per cent of the respondents condemned the capitalist system, 60 per cent of the responding workers expressed their support for allowing business to decide itself what share of profits should go to investments and dividends and what share to the payment of labour. This kind of "trust" in the exploiting class is rooted in the fact that the democratic and socialist ideals of workers are not reinforced by an actual knowledge of possibilities to realize these ideals or of mechanisms by means of which it would be possible to influence distribution. In that connection G. G. Diligenskii notes, "In the context of the crisis in state-monopolistic regulation and growing anti-state and anti-bureaucratic sentiments on the part of the masses, there is a revival of the image of the owner and capitalist entrepreneur of

the firm, reinforced by generations of capitalist rule, as a person who is most competent and efficient in matters of economic life. 'Free enterprise' is perceived as the most 'rational' model of economic functioning. But such perceptions occur together with a rejection of the anti-worker and 'anti-social' orientation of conservative policies that follow logically, and with a recognition of a need to somehow limit the arbitrary rule of capitalists. In other words, in a crisis situation even more than in a 'normal' one, there is an intensification of the contradictory character of the socio-political consciousness of a substantial part of the working class."³⁷

But we would like to note something else as well: Great Britain had never before seen such violent battles in defence of jobs, against the closing of enterprises and for the preservation of the standard of living as those that developed in 1984-85 in connection with efforts to close the mines. Moreover, one cannot disregard the fact that, due to many circumstances and, in particular, the formulating of questions, the data of sociological studies do not always reflect the true mood of the workers with a sufficient degree of accuracy and sometimes express wishful thinking rather than reality.

Today's scientific and political literature often cites an episode that took place quite some time ago. In 1919, an English miner, William Straker, speaking before a commission specially appointed by the British government for the investigation of social conflicts in the ore-mining industry, noted that "the fact is that the unrest is deeper than can be reached by merely pounds, shillings and pence, necessary as they are. The root of the matter is the straining of the spirit of man to be free."³⁸ Economists and sociologists note a developing shift in requirements—from those that are directly connected with the level of wages to others that determine man's position in production and society and, accordingly, his possibilities to influence the conditions of his own existence. The values of human existence can be reduced by convention to two principles: *to have* and *to be*; as economists and sociologists note, *what to be* becomes more important to individuals than *what to have*. Naturally, one cannot state in absolute categories something which has not yet been fully measured, one cannot disregard all of the complexity, variety and interdependence of human needs, but it would be incorrect to neglect the shifts that have been observed.

Changes in the system of values and in the hierarchy of needs are increasingly associated with the striving of workers to decide questions pertaining to their work and way of life themselves. This

striving, as a number of researchers note, increases with the development of production and of the principal productive force, of the level of education and socio-political maturity of the working class. The development of capitalist production and society is objectively a process of preparing the working class for the role of a class that is called upon to assume the management of social production and of society. The growing complexity of the material and technical base and the transformation of material production into a sphere of application of achievements in science and technology, not only create an organizational and technological basis for increasing the role of workers in organizing the production process but also develop new corresponding abilities in the work force. Together with new technological and organizational knowledge, workers of modern production facilities in contrast to their historical predecessors also possess a greater measure of human integrity, civic consciousness and ability to participate directly in administering the economic and political life of society. Higher educational, cultural and technical level of wide masses of the population produces new social needs. As the cultural and technical level of workers increases so does the intensity of their efforts to gain greater democracy in both the economic life of society and in its political life.

It is interesting to note an observation by Alfredo Reichlin, executive member of the Italian Communist Party, in his article entitled "Italy at the Threshold of the Year 2000": "While Taylorism and the old technologies of mass production could in some way also be applied in underdeveloped societies, it is not possible to manage new technology, the new communications network unless appropriate living environment, system of values and society have been created. In short, unless a new kind of humanity, so to speak, has been created."³⁹

In analyzing methods of "human relations" in solving problems of workers' economic demands, Alan Fox, a British sociologist, emphasizes that the demands themselves may be viewed as being economic only with certain reservations. In reality, he notes, many of the workers' demands concerning the course of change in salary structure, in effect, do not refer to money. Although this thought sounds differently today, at a time of a decline in the standard of living and of workers' struggle to preserve it, than it does during an economic upswing, it nevertheless continues to be basically correct. Alan Fox emphasizes that both the strategy to improve workers' cultural and living conditions and the strategy of

scientific management as well as the strategy of "human relations", represent attempts to preserve the "advantages" of large-scale capitalist production, of an extreme division of labour, hierarchy and total managerial control, while at the same time avoiding the "inconveniences" that are associated with them. And while the use of these methods has brought certain advantages to management, on the whole they still have not been able to produce among workers a sense of possessing common interests with employers and of involvement in the activities of capitalist enterprises. Fox considers the basic reason for this to be that, in effect, the given strategy left unchanged the structure and contents of "labour roles", as well as the character of the process of decision-making at enterprises.⁴⁰

The growing workers' need to manage production is also confirmed by my own observations at various enterprises, through conversations with workers who are members of firms' supervisory councils and production councils at enterprises in several cities of West Germany, with members of worker committees of enterprises of the large ARBED steel concern in Luxembourg and with communist party functionaries in a number of countries.

An integral view of participation was expressed at the symposium in Leverkusen and in our subsequent conversation by Rolf Knecht, vice-chairman of the supervisory council of a multinational concern – a West German subsidiary of the U.S. Honeywell company – and chairman of a factory production council. In providing a sober assessment of participation in its existing forms, Knecht emphasized that workers attach great importance to representation in supervisory councils and especially in the production councils, and believe in the possibilities of participation, and for this reason alone it should not be ignored. "I can conceive of things that are better than *Mitbestimmung*. But the point is not what I personally think but that I live in a country that has its own practices which for the time being I cannot change and must use."⁴¹

Similar views were expressed in their talks with the author of this book by Karl Heinz Vernholz, Hans Kaiser, and Otto Meierling, production council members of the plants of the Hoesch concern in Dortmund, by Peter Jaszczyk and other members of the production council and workers of the Opel plants in Bochum and by Hans Schulte, a member of the production council of Krupp's Vidia plant. In particular, Karl Heinz Vernholz noted that "production council members ... concern themselves with specific social production problems and serve on various

commissions. And while the workers occasionally pun on the word 'Ausschuss', which means both 'commission' and 'spoilage' or 'waste', this work provides a substantial knowledge of certain production and economic sectors, of the ruses used by the employers and management, and of what could be done if the workers owned the plant."⁴²

They also spoke about a noteworthy fact that the need to manage manifests itself in a striving towards acquiring knowledge in the field of economics, the organization of production activities and more generally all knowledge that is needed for managing. Communist workers of the ARBED concern in the cities of Asch-sur-Alzette and Differdange study comprehensively the financial state of their concern and are well-informed in other matters concerning production economics. Hans Schulte, of the Vidia plant, gave a comprehensive analysis of the state of affairs at the plant and the reasons for its economic difficulties.

Naturally, these facts point only to the existence of the need and not to the degree to which it is developed. However, they do show that it is developing; workers are becoming less and less satisfied with "negative" control which only takes the form of a refusal to work (a strike) in case the conditions of work and wages do not suit them. They want to have constant information concerning production activities and to participate in discussions of problems relating to its development not *after*, but *before* decisions are made, and also to have some control over their implementation.

It should be noted that processes developing under conditions of modern capitalism do not simply represent a continuously growing role of the government in the economy, and that the increasing pressure on the part of productive forces towards economic socialization of production is not solely expressed in the widening of the sphere of state property. Marxist researchers, in particular in West Germany, note that in that country a certain weakening of the state component in state-monopoly capitalism has begun in favour of private capital, especially monopolistic private capital. A similar situation is observed in the United States, Great Britain and other countries as well, where preference is given to the free market and where neoclassical concepts of capitalism and monetarism find a practical application. These processes are associated with the establishment and development of transnational corporations. It is well known that economic socialization of production does not stop at national borders. If it did this would lead to its more rapid legal socialization and would

have "compelled", as Engels said, a shift to state forms of property. But monopolistic capital has long ago exceeded these bounds.

Taken by itself the growing socialization of production raises the issue of limiting the omnipotence of monopolies with increasing acuteness and shows this to be an urgent social need since management decisions that are adopted by gigantic concerns frequently have serious society-wide consequences. The existence of an organic link has been noted between the growing struggle of the working class for a democratic alternative in social development and their struggle for rights in the management of enterprises. In addition, the growth of economic socialization of production in the form of transnational corporations sharply raises the degree of capital's cosmopolitan character. It now expresses not only an indifference to national interests as before but also an avoidance of national forms of control.⁴³ In that connection, much is revealed by numerous debates concerning taxes that large companies avoid with the help of their foreign enterprises. Still, international corporations control 90 per cent of the investments, one-third of the aggregate gross national product and one half of the foreign-trade turnover of capitalist countries.

Because they possess unprecedented possibilities for manoeuvring capital and for applying the achievements of the scientific and technical revolution, transnational corporations close down enterprises and reduce the number of jobs without concerning themselves with social consequences. In doing this, they occasionally create situations that are catastrophic for workers not only at individual enterprises but in entire sectors, areas and even countries. In these conditions, organized workers' movements realize increasingly that today it is no longer possible to limit themselves to traditional issues that have been at the centre of their struggle (the level of wages, allowances, etc.), and that it is necessary to achieve *control over capital itself, its use, transfer and functioning*. Moreover, occasionally traditional forms of struggle prove ineffective. For example, the transnational corporations often use such measures against strikers as transferring orders from striking enterprises to another country in which local workers are not at all aware that they are acting as strikebreakers.

Among the factors that explain the fundamental novelty of the situation and in particular that stimulate an intensification of the workers' struggle for rights in the sphere of production management, the following two may be noted: *capitalist rationalization of production*, associated first with a new stage in technological pro-

gress, the development of microelectronics and the use of new materials and technologies and, secondly, with the dominant role of transnational corporations possessing unprecedented possibilities for specialization in production; and a more dynamic *transfer of capital* than previously as a reaction to a change in production conditions also primarily associated with the activities of transnational corporations.

Changes in the economy occurred under the influence of a number of factors. Crisis phenomena that made the attainment of profits more difficult for capital, the intensification of competition and together with this a resistance on the part of the working class to efforts by the bourgeoisie to transfer the entire burden of the crisis to its shoulders, *prompted and forced* capital to apply new techniques and technologies in production and even those inventions that for a time were held in reserve. The consolidation of the dominant position of transnational corporations and the development of supranational capital *made it possible* to manoeuvre very large sums of money in organizing costly research and development activities, a restructuring of production and manoeuvring operations with capital on an international scale. *Scientific and technical conditions* also proved favourable for a revolutionary transformation in engineering and technologies since large-scale possibilities appeared to assign to technologies not only physical but also mental functions of labour power. It is true, of course, such possibilities in engineering were also present in the past but their use for practical purposes and on a mass scale has begun only because of an unprecedented miniaturization and cheapening of electronic devices. In particular, prices for silicon microchips — the key element of the new technology that makes it possible, for example, to construct extremely compact computers, have declined by a thousand times in fifteen years. Latest achievements in many other branches of science also find a wide application in production. These processes together with an increase in the productivity of labour lead to a reduction in required labour resources per unit mass and value of goods and services.⁴⁴ In the late 1970s and early 1980s every fifth worker in the FRG had to deal with new automatic devices. By the end of the 1980s the number of computers in the country is to double and reach 800 to 900 thousand, and the number of industrial robots to increase five-fold (30,000).⁴⁵

An intensive development of production means that a growing share of capital investments is spent on the technical improvement

of already operating production capacities and jobs. In recent years in West Germany three-quarters of all capital investments have been directed towards a rationalization of production and the acquisition of new equipment to replace the obsolete and only one-fourth is spent for the expansion of production capacity. As a result the effectiveness of production is increasing with only a slight increase in investment, while the demand for the labour force is decreasing even with a growing production output. Studies have shown that as a result of using microprocessors and computers, the rate at which jobs are eliminated is increasing.

In the view of the management of Fiat, the Italian automobile firm, during the next decade sensing robots will reduce the need for labour by 90 per cent. E. Osborne, a U.S. economist, assumes that robots may displace the need for workers altogether in the case of assembly lines. Automobiles, washing machines, television sets and other complex products including robots themselves will, in his opinion, be produced without the participation of workers. Other Western specialists in the field of automation have estimated that altogether robots may replace from 65 to 75 per cent of all workers in processing enterprises. It may be that these views contain an element of insufficiently grounded extrapolation of the future from current processes and tendencies—a type of extrapolation according to which an increase in the number of horses in St. Petersburg at rates that existed at the end of the last century should have resulted by the middle of the present century in the accumulation in that city of a layer of manure one metre thick. There is no doubt, however, that today a fundamentally different situation has developed by comparison with anything that existed earlier in relation to employment under conditions of capitalism.

Transnational corporations possess unprecedented possibilities both in the specialization of production activities and in cooperation on an international scale. They concentrate the production of a particular type of output in that country where this is most advantageous and close operations in others as they divide the production process on an international scale. The rationalization that is based on that principle is also characteristic of monopolies that coordinate their policies within the framework of closed economic groupings. The “steel plan” that was developed by the Eurofer cartel and the “European plan” of the shipbuilding industry, provide for a rationalization in Europe that displaces tens and hundreds of thousands of jobs.

The novelty and acuteness of that situation can be seen with particular clarity in the “unemployment crisis”. Today, more than 10 per cent of the able-bodied population of capitalist countries have found themselves dismissed from production activities and out of work. According to forecasts, that figure will grow. Bourgeois policy-makers and researchers have already begun to refer to two “classes”—the unemployed and those who possess jobs. Curtailment of production in entire branches of industry has created vast sources of particular tension. The composition of the army of unemployed itself has changed: it contains many skilled and well-educated young persons.

This situation is aggravated by the fact that the phenomena that have been noted do not simply reflect cyclical declines in production as in the past but proved to be a persistent tendency that is associated with such laws of the functioning of capitalist economies as the general law of capitalist accumulation, the law of labour productivity growth and the increase of the organic composition of capital. Marx wrote that capital is continually renewed by relying on achievements of science and technology; it “sheds its skin and is reborn like the others in a perfected technical form, in which a smaller quantity of labour will suffice to set in motion a larger quantity of machinery and raw materials”. Associated with this is an absolute as well as a relative reduction in the demand for labour.⁴⁶

In short, workers face with unprecedented urgency the issue of not merely the terms of selling their labour power, but also the very possibility of selling it, and of having a job and a permanent income.

At the same time, as Heinz Jung, West German Marxist researcher, notes, the tightening-up of the work schedules intensifies labour; a threat is created of the loss of skills among the traditional groups of highly-skilled workers and also the middle-echelon groups of office workers, as many working people are transferred to lower wage-rate groups.

It is extremely difficult and practically impossible to prevent these phenomena under conditions of capitalist production. Trade unions which actively oppose particular programmes of rationalization and require the establishment of specific number of personnel for each type of technical unit, are accused of impeding scientific and technical progress and are themselves aware of the vulnerability of such a position. At the same time, a struggle not against rationalization but against its consequences

(retraining or transfer of workers) is not effective, for in that sphere the workers' movement does not dispose of sufficient means for exerting pressure.

Richard Clarke, a British researcher, writes that in Great Britain all major trade unions have now produced guidelines relating to an inclusion of technology issues in their collective bargaining agreements with employers. Standard "new technology" agreements are published and disseminated. Such trade unions as Association of Scientific, Technical and Managerial Staffs invite specialists to study these questions, publish documents in aiding campaigns for improving labour conditions and influence government bodies in an increasingly organized and decisive manner.

At the same time, Richard Clarke notes that the experience of the British working class connected with the introduction of new technologies such as microelectronics, "presents a classic example of the contradictions of the application of scientific achievements under present-day monopoly capitalism. Collective bargaining now, of course, produces better wages or improved conditions for those who remain in work when microelectronics are introduced, but often at the expense of the jobs and escalating unemployment which has now reached epidemic proportions especially amongst youth in some areas of Britain. And where unions are sufficiently strong to resist attempts at 'rationalization', the consequence is often (in a situation where investment decisions are dictated by the imperatives of profit rather than public benefit) that the incentive to innovate (itself reduced in a climate of 'over-production' and 'recession') is removed, or the money goes overseas, accelerating the post-war trend which has seen market after market in the UK—textiles, footwear, cars, consumer electronics—destroyed by competition with cheaper and often better goods produced in other cheap labour and generally unionized countries."⁴⁷

At a symposium in the city of Cascina (January 4-5, 1985) that was devoted to Party work at enterprises, Italian Communists noted that "technological renovation is not an end in itself or an aspect that is neutral in character". As a result, "the circle of persons that have a right to decide and that understand the connection between specific operations narrows significantly. The ability of workers and technicians to control production diminishes." It was also noted at the symposium that the Party will have to resist the tendency that prevails at the present moment of a "*crisis of a class influence in the enterprise* (my emphasis.—A.V.), and the offensive initiated by employers, which is becoming more and more harsh". In Italy,

as throughout the entire world, in the course of that offensive capitalists seek to sharply reduce the inhibiting influence of the working class and of trade unions, taking full advantage to this end of automation and mass unemployment.⁴⁸

Further, it is noted, that the Italian Communist Party will find it necessary to move against the stream in another sense as well, namely, to place an emphasis on production at the very moment when a substantial part of public opinion has swallowed the bait of a twenty-year-old myth concerning the end of production, the emergence of a "post-industrial society" and de-materialization of social processes.

Accordingly, the problem of finding new methods in opposing large-scale capital arises.

This also holds for the second factor—the spatial movement of capital.

Taking advantage of an absence of control and orienting themselves on maximum and stable profits, transnational corporations employ vast amounts of capital, channelling them in effective ways to points where labour power is cheaper or conditions of production better, shifting them from one branch to another. Very many enterprises are subjected to closure, mergers, and transfers to other countries. It is precisely the scale and rate of such spatial changes that is novel, and occasionally this produces catastrophic situations over vast regions. At the Brussels meeting of representatives of communist parties of European capitalist countries (June 13-14, 1977), many of the speakers pointed to the difficult social conditions created by spatial transfers of capital. The Chairman of the Communist Party of Belgium, Louis van Geyt, noted that in Belgium, where before the crisis of 1974-75 the expansion of production was largely associated with the settlement in that country of multinational firms, primarily U.S. and West German, in the late 1970s multinationals had clearly decided to reduce their capital investments. Indirectly, the government recognized this in a declaration which stated that in the immediate future one should not expect multinational firms to create additional jobs in Belgium. At the same time, it referred to a wide encouragement of capital investments designed to achieve rationalization, and to the state's large-scale assistance and far-reaching intervention—a development that produces in most economic sectors, whatever the evolution of their production curves might be, a continued reduction in employment. The same process was noted by Aloys Bisdorff, a member of the Executive Committee of the Communist Party of

Luxembourg. The policy of exporting capital carried out by ARBED, he added, was detrimental for Luxembourg's steel industry. Because of a shortage of investments, production equipment had become obsolete in many branches; at the same time ARBED receives profits in other countries where it constructs modern production complexes that now compete with Luxembourg's own metallurgical sector. The production of ordinary steel has moved to countries with cheap labour power and liberal legislation with regard to the environment. In the 1980, these processes acquired a scope that had not been expected even by very pessimistic forecasts.

Such a situation makes the struggle of the workers' movement for the solution of various specific problems, such as, for example, an increase in wages or in jobs, extremely difficult. Thus, an increase in wages in a country may lead to an immediate transfer of capital to other countries where labour is cheaper and therefore to a decrease in the number of jobs. Workers are often inclined to blame specific monopolies and specific persons for this. But such an approach is not entirely correct and in any case it is limited. Here, the logic of capitalist production, i.e., the laws of capitalist economies are active. In this connection, the remarks of Ben Seligman, a well-known U.S. economist, are noteworthy, for they soberly evaluate the motivation behind the activities of persons in charge of the economy: "The argument that business should be more 'responsible' often evades the central issue in America's major institution—business cannot survive without profit. When 'responsibility' and profit clash, it is profit that invariably wins out."⁴⁹

Accordingly, it is not sufficient to blame those persons who direct their capital to another country in search of their own advantage thus decreasing jobs, just as it is not enough to blame those who introduce microelectronics and other scientific achievements in production thus economizing on manpower and converting all economized means to their own advantage. Naturally, a cardinal solution to the problem could be provided only through the elimination of capitalism as a socio-economic system. But under conditions of capitalism, in order to limit the arbitrary rule of monopolies to some degree and to protect workers' interests, a well-organized and qualitatively new opposition to capital is needed. This theme recurred repeatedly in the symposia noted above that addressed themselves to problems of participation in management (Leverkusen) and to the trade

union activities of Communists (Luxembourg). What were then the concrete issues that were discussed?

First, workers should be continually well-informed concerning the measures of rationalization that the management of enterprises envisages and the consequences that they will produce; what enterprises will be merged, closed or transferred to other countries; the ways in which employers expect to allocate investment resources: by exporting capital or else by investing it in the given country to export its output; and what the plans are for using manpower. The importance of timely information, or to use a more recent expression, of an "early warning system", increases greatly, for only relying on timely information can trade unions adopt effective countermeasures—*before* rather than *after* decisions are made, when it is too late. There is a point of view, prevailing in West German workers' movement, according to which receiving such information requires a permanent presence of worker representatives and their trade unions in those bodies where decisions concerning production are adopted. British Communists believe that information may be obtained without participating in particular management bodies through requiring "open books" (accounting books.—A.V.). However, experience has shown that even when such demands are satisfied this is done in a formal manner and representatives of the management of enterprises skilfully manipulate information presenting false pictures. They are able to do this in supervisory councils and in production councils, but still information concerning transfers of enterprises and their closure as well as rationalization, is relatively difficult to hide from workers' representatives in such managerial bodies in spite of the limited character of their legal powers. From the point of view of obtaining information that system is relatively effective.

Secondly, such interdependence within the economy, as, for example, between the level of wages and transfers of capital and consequent reductions in available jobs, calls for an interrelated and integrated approach to the solution of problems relating to workers' interests. Experience confirms that such an approach is made easier by a direct participation of worker representatives and trade unions in the discussion of future decisions.

Third, there arises a need for coordinating the actions of workers of various countries employed at enterprises of one and the same transnational corporation. This is a complex problem, but many trade union officials see great possibilities for such coordi-

nation, in particular within a system of worker representation in the higher level bodies of such corporations.

Whatever the advantages and shortcomings of various forms of participation in management, one may still arrive at the following conclusion: new long-term factors operate under present-day capitalism in stimulating a need to participate in management in such forms that would allow workers and their trade unions to continually control capital and influence economic decisions in more direct and timely ways. This refers specifically to control over capital itself. It does not follow that this makes institutionalized forms of participation by workers in production management the only correct solution for trade unions, but there is no doubt that this is the reason why broad sections of workers are striving towards participation and why participation has become a widespread practice.

Why Capital Agrees to Participation

Let us now attempt to describe the factors that motivate representatives of capital to not only agree to participation but also to display an initiative in its development.

In this context as well, it would be natural to rely on an analysis of economic interests, i.e., to formulate the question as follows: why is participation advantageous to capital? Or else: what makes capital accept it, why does it not or why can it not categorically reject claims on its undivided rule in the sphere of production management?

Already in the latter part of the last century, Engels noted the changes that occurred, by comparison with the first half of the century, in the methods applied by the bourgeoisie in relation to workers. In his Preface to the American edition of *The Condition of the Working Class in England*, he noted that increasingly employers abandon the more objectionable and odious forms of labour relations that characterize the "juvenile state of capitalist exploitation".⁵⁰ Referring to the causes of these changes he stressed that they were associated not with an enlightenment and moral perfection of the bourgeoisie but with laws that are immanent to capitalist production itself. The growth of capitalist production, its more complex character, the increased requirements of employers in retaining skilled labour power, made ineffective and even harmful, from the point of view of the interests of capitalists, some of the

forms of explicit oppression of workers that they had applied earlier. "Trade had outgrown such low means of making money", and "a new spirit came over the masters".⁵¹ Those same big business leaders who set the tone in the struggle against the working class were now the first to preach peace and harmony. "All these concessions to justice and philanthropy were nothing else but means to accelerate the concentration of capital in the hands of the few."⁵²

What, then, was the basis of the changes that made earlier methods of exploitation ineffective?

In our opinion, one of the first to provide a deep and detailed analysis of the relevant determining tendency and mechanism of its development was Nikolai Chernyshevsky, 19th-century Russian revolutionary democrat. In commenting on the works of John Stuart Mill he notes an extremely important element: as production becomes large-scale and improves, hired labour corresponds less and less to its character which calls for other types of labour and other motivations that would be internal rather than external ones and would presuppose that labour is evaluated not by an "outside price-maker" but by the actual results of labour embodied in the product itself, i.e., by its social significance. In considering the outcome of production as a combination of two factors, namely, the degree of perfection in production operations and the quality of labour itself, or, what is the same thing, the quality of the worker performing these operations, Chernyshevsky points to the need for a conformity between these two factors, and moreover, not simply at the level of the worker's skills but rather of his position within production activities and of his corresponding attitude to work.⁵³ In particular, he noted that "in the case of the rough production processes that mark the production equipment of barbarian societies, there was no discrepancy between slave labour and the instruments to which it was applied: both were equally bad. When production equipment developed somewhat further and relatively complex and delicate instruments appeared, the rough labour of slaves became inappropriate: the machine is not compatible with slavery; it cannot withstand the heavy hands of its indifference. Nor can all those skills that are associated with any improved instruments withstand slavery. They require free individuals."⁵⁴

In examining in such a perspective his own contemporary society and production activities, Chernyshevsky observes that "the condition is now no longer sufficient that the worker be free".⁵⁵ Under hired labour the individual does not possess a deep interest in the final outcome of his work and performs production operations only

because of the control that is established over him, yet as production grows and becomes more complex this control becomes increasingly difficult to perform. In concluding, he notes that "there hired labour wastes one half of the working time and wastes one half of the power that is provided by machines. Instead of hired labour the interests of production now call for another form of labour, more caring and more responsible in relation to work. This requires that each worker be motivated towards responsible work not through outside supervision which can no longer monitor him, but through his own interest; it requires that rewards for labour relate to the product of labour itself rather than to some form of payment because there is no form of payment that will reward responsible labour sufficiently, while it becomes less and less possible for anyone but the worker himself to distinguish responsible labour from labour that is irresponsible."⁵⁶

Current practice confirms the correctness of such an analysis of the interrelation between the character of labour activities and its outcome, and also the conclusions concerning hired labour. As production activities become more complex the need for non-formal and interested attitude on the part of the worker grows. It is difficult to *force* a worker in a modern production facility to work well, because there are occasions when it is difficult or else impossible to control him. Instead he must himself *want* to work well. In this respect the results of protest actions of the "work according to rules" or else "adhere to instructions" type are especially revealing. This is a relatively widely applied form of protest by workers in capitalist countries against measures taken by management. Its essence is that factory and office workers strictly adhere to instructions in their work. If the actual conditions of production come into contradiction with them or else are simply not taken into account, the workers would not bring adjustments into their operations based on their own experience, knowledge and intuition but continue to work according to rules. There is no ground for reprimands, yet as a result of such work an English electrical power company, for example, lost 30 per cent of its electricity while in the case of Japan's railway network the resulting effect was even more striking: railway traffic stopped completely throughout the country.

In effect, blue- and white-collar workers state to their management: you do not wish to take our interests and needs into account and to recognize us as thinking subjects of production activities but prefer to see us as simple cogs in your machine? Very well.

And the machine stops. It turns out that it is no longer able to function when man is transformed into a simple cog within it or else feels himself to be such a cog, views his work with indifference and carries out his responsibilities in a formal manner. The examples that have been cited serve as persuasive statements of the actual role of man's attitude to his work in modern production activities.

Marx described the developed productive power of all individuals as a society's real wealth.⁵⁷ But the question consists in the relationship between the worker and other productive forces. Today the following principle is increasingly apparent: as the level of development of productive forces grows so does the role of man as their important element. At the same time, there is a growing objective need for him to display his specifically human, intellectual, moral and creative qualities.

Indeed, there was a time when production could function with man being merely an *instrumentum vocale* (a speaking instrument), differing from animals (an instrument endowed with a voice) or from a shovel, for example, seen as an *instrumentum mutum* (voiceless instrument) only in this respect.⁵⁸ He was tied to his place of work through fear and a threat of cruel punishment. At a different time, production could function with man, as the hero of Chaplin's film "Modern Times", becoming an appendage to the machine, almost a mechanism, driven to do this by hunger and need. But can production activities resting on such foundations be effective today? Facts show that this is not possible. In the context of a wide diversity of types of labour in modern production activities, man carries out an altogether different and increasingly important role.

Specialists note that in today's conditions, an increasing importance attaches to a growing range of worker skills and to his ability to quickly respond to particular situations and operate in the following contradictory conditions: on the one hand, of a differentiation in fields of professional competence, branches of production and scientific knowledge and, on the other, of their integration. The decisions that are made today by programmers, adjusters and operators can affect the activity of an entire corporation. This is why the quality of its human resources are becoming a key element in each firm's competitive struggle. Expenditures on the training and retraining of personnel are sometimes even higher than investments in production. In particular, this is associated with the fact that disparities in the individual productivity of specialists whose labour includes creative elements may vary by several fac-

tors of 10, while the maximum difference of that of lathe operators does not exceed 2-3 times.

In that connection, the following fact is noteworthy. A book was published in the United States in 1984 initially with a printing of less than 15 thousand, for it was considered to be "a very serious book on business" as described by its publishers Harper and Row. Soon, however, it became a national No. 1 best-seller, and sold 2.8 million copies. In addition translations also account for several hundred thousand copies. It was written by Thomas J. Peters and Robert H. Waterman, two specialists on management in McKinsey and Co., and is entitled *In Search of Excellence*. What is it, then, that attracted such wide attention to what is apparently a highly specialized publication? It is the unexpected conclusions to which the authors arrive on the basis of a study of the experience of 62 most successful corporations. Their essence is expressed in the formula "productivity through people". It was shown that those corporations were most successful which applied all possible measures to create among their personnel a sense of participation in a "common" task, sustain a climate of trust in workers as well as a freedom for creativity, independence and initiative, and encourage enthusiastic initiators of innovations. It appeared that this is in fact more important than all other factors that had earlier been believed to play a leading role. The authors note that while analyses and a plan are also necessary, "the excellent companies treat the rank and file as the root source of quality and productivity gain. They do not foster the we/they labour attitudes or regard capital investment as a fundamental source of efficiency improvement." In criticizing the traditional approach to learning in business schools, the authors consider one of its major shortcomings to be that "it doesn't show how strongly workers can identify with the work they do if we give them a little say-so. It doesn't tell us why self-generated quality control is so much more effective than inspector-generated control."⁵⁹

This is entirely contrary, as we see, to Taylor's system which clearly distinguishes the responsibilities of managers and of the managed and transforms individuals into cogs of a well-organized machine whose main responsibility is to stay in their places and avoid any attempts to influence that machine's operation. But the shift from one system to the other is not accidental: the nature of production activities themselves *force* capital to undertake it.

Today, the bourgeois press often deplores a decline in the "work ethics" and a reduction in labour productivity resulting from wor-

kers' indifference towards their responsibilities, violations of discipline and the production of shoddy goods. There is of course an element of calculated exaggeration in these complaints that represent a type of "preliminary artillery barrage" in relation to particular measures for intensifying labour and introducing harsher discipline in production, yet they also reflect actually operating phenomena. Bourgeois sociology has been seeking their cause in functional aspects of labour rather than in its social aspects, that is, in dissatisfaction with uniformity and monotony of work, and rigorous assignments. But there are more sober judgements that are closer to the truth. In particular, the magazine *Newsweek* referred in 1973 to "the failure of the postwar welfare state ... either to produce a vigorous capitalism or really to integrate the workingman in the system". It noted that while the usual comment abroad is that the British are lazy and there is obviously a grain of truth in this, it is not only because they are lazy that the building labourer prolongs his tea breaks, the driver pilfers the company's goods and the assembly worker produces a shoddy Ford. For it only requires a little first-hand experience to sense straight-away his bitter assumption that the profit from work is not for him but for "them".⁶⁰ Seven years later, in 1980, in a section devoted to the productivity crisis in the United States the same magazine referred to the need to involve workers in the making of decisions for their indifference towards their work clearly tells on their labour productivity.

We thus return to the problem of alienation which enters into contradiction with a growing need for a type of labour that is not simply more skilled but is also more interested in the final result, and carried out not under compulsion and not in a formal manner but with a managerial sense. This contradictory factor leads representatives of capital to undertake efforts to create among hired workers a different type of interest in production activities, namely, not only through material inducements but also through a variety of measures that are intended to counteract alienation and would create the illusion of common interests on the part of labour and capital.

At the same time, it is also significant that the role of workers in production activities has been increasing, above all, in the sense that as progress in science and technology takes place, as does automation and the application of microelectronics, a smaller pool of live labour brings into motion immense quantities of material agents, of embodied labour. Another aspect of that phenomenon

lies in that under conditions of modern production with its ramified connections, workers acquire a certain measure of technological power, as it were. This explains, for example, the success of rotating strikes of the "chess-board" type. At times, even modest groups of workers are then able to halt immense production facilities and cause substantial losses to the employer. Moreover, frequently capital cannot rely, in opposing such strikers, on the reserve army of labour, because of the high level of skills, narrow specialization or even unique qualifications of worker specialists. While the concentration of capital and the power of transnational corporations reduce the effectiveness of such forms of struggle, this tendency cannot be ignored by the ruling class. This is the second factor that is leading representatives of capital to search for motivations of a new type and create conditions under which workers would consider it to be impermissible to harm production activities, and in fact would strive to produce a better final product.

A third factor causing capital to sacrifice some of its rights and monopoly position in the sphere of production management, concerns the organized and militant character of the working class, although it is true that it expresses itself unevenly.

While those workers that are most mature in a class sense view the changes in production activities that have produced negative social consequences as an unavoidable manifestation of the contradictions of capitalism and as a signal to engage in a more organized struggle, another part of workers, a number of researchers note, have become disoriented and their dissatisfaction has been expressed in a growing indifference towards politics and even in an inclination to accept conservative views and in conformism. During periods of intensification of crisis phenomena, a psychology of individual adaptations to difficulties is especially evident. Such attitudes are shaped by an individual's entire way of life under capitalism and are of course the opposite of a spirit of collective organized struggle. It is with this, although not with this alone, that a certain weakening of trade unions has been associated. This has taken the form of a reduction in their membership in a number of countries, divisions among workers' organizations and a greater inclination to accept compromises, for example with regard to wages in return for creating additional jobs.

But these phenomena do not negate the basic tendency that is produced by objective factors. One also observes within the workers' movement such relatively new phenomena as the interaction of trade unions on the international scene on the scale of transna-

tional corporations, as well as new types of strikes, in some cases especially stubborn and prolonged. Some Marxist writers associate capital's persistence in introducing participation directly with the growing resistance of workers to their exploitation and with their greater measure of organization, which is also evident independently of trade unions and occasionally in direct opposition to their leadership. In particular, Bert Ramelson, an authoritative British researcher in the workers' movement and in problems of workers' control, notes that the Royal Commission known as the Donovan Commission had established that 95 per cent of all strikes in Great Britain in the late 1960s were unofficial, i.e., were carried out in violation of instructions of trade union leaders. These were, moreover, strikes that sometimes extended either to entire branches of industry or else to vast transnational firms. There were also nation-wide strikes. An enormous role is played by the shop-stewards movement which is marked by close ties with workers and by selfless actions. Bert Ramelson states that capital was unable to hold back the development of trade unions and had to fall back on its "second position", namely, to absorb trade unions into its own system. This is why it now seeks to corrupt workers and create the illusion that they have a common interest with capital which they also manage together.⁶¹ Realizing that it cannot avoid the demands of trade unions for open decisions with regard to all vital issues, capital pretends to accept them by offering participation.⁶²

The same point is expressed by Fernand Pasqualoni (Luxembourg). He observes that during the postwar period, monopolistic capital frequently avoided direct class battles and turned to tactics of allaying social contradictions. This is expressed in the fact that while receiving enormous profits it made certain material concessions on the one hand, primarily in secondary spheres, while at the same time it sought to harness the leadership of workers' organizations to its own chariot, i.e., to make them responsible for its anti-worker policy. In particular, this includes the strategy of "social partnership" in the sphere of production management. Lars Brännberg, a Marxist researcher, notes that in Sweden there exist both self-steering groups and participation in management as well as the concept of "workers' funds". He attributes the "abundant flowering" of these diverse forms of participation to the fact that in the late 1960s new principles of production organization borrowed from the United States led to an intensification of labour and the prolonged period of peace on Sweden's labour power market came to an end. A wave of strikes swept the country many of

which were spontaneous. "In this situation the capitalists realized that new principles of production management had to be evolved. The same conclusion was drawn also by the reformists in the government."⁶³

In this way, the capitalists' attitude to participation is determined by a number of phenomena that may be described as *hired labour crisis* created by modern capitalism. As the productive forces develop, the very mode of linking producers to the means of production corresponds less and less to the requirements of production and enters into a contradiction with them. Workers do not wish to accept their position as producers separated from the means of production, while capitalists cannot manage in the old way, without considering the wishes of workers. This accords with Marx's prediction that "like slave labour, like serf labour, hired labour is but a transitory and inferior form, destined to disappear before associated labour plying its toil with a willing hand, a ready mind and a joyous heart".⁶⁴

While there is a tendency for hired labour to become ineffective, an overcoming of capitalist hired labour would cause the end of surplus value and hence of capital itself. This explains attempts to find compromise forms whose role is to preserve hired labour while overcoming its negative aspects, i.e., to solve the problem in accordance with the principle described by Proudhon and derided by Marx, namely, to preserve the "good side" and overcome the "bad side". Marx viewed this as a failure to understand the essence of dialectics.⁶⁵ It is logical to expect that in the present case, the eventual outcome will reveal the non-viability of half-measures. For some period of time, capital succeeds in resolving that problem by creating the illusion of workers' participation in a common cause and even does in fact provide them with some new rights that are carefully evaluated in the light of its own losses and benefits and, what is most important, while preserving the principal levers of management in its own hands. One should not underestimate the effectiveness of such efforts both in economic and political terms.

In viewing the same phenomenon in terms of its socio-political aspects, we find that Lenin's conclusion concerning the behaviour of capital in its struggle against the working class and its turn to reforms in that struggle is still relevant: "An enemy such as the foremost social class cannot be fought with force alone, even with most ruthless, best organized, and most thorough-going force. Such an enemy makes itself reckoned with and compels concessions,

which, though they are always insincere, always half-hearted, often spurious and illusory, and usually hedged round with more or less subtly hidden traps, are nevertheless concessions, reforms that mark a whole era."⁶⁶ Participation, if one has in mind the strivings of its bourgeois proponents, is a phenomenon that generally falls within the framework of reformism. But one must not forget that this is not a half-hearted concession but rather an active attempt to shift to the shoulders of workers a part of the responsibility for production, force them to discipline themselves, and create conditions for growing labour productivity by using the efforts of workers to participate in management, i.e., to contribute to their "self-exploitation".

It would be an error to view this tendency in absolute terms without taking into account opposing factors operating on the consciousness, strivings and behaviour of capitalists and also associated efforts on their part to resolve the problems that arise in ways other than participation and "social partnership". What are these factors?

First, the expansion of modern production activities and especially the creation of new facilities, is associated with immense investments. The caution of employers in corresponding decisions (economists note the existence of definite periods of weakening investments directed at expanding production, particularly when compared with investments in modernization and rationalization) and the element of reserve that is particularly evident after recessions and reflects their lack of confidence in emerging tendencies towards an improving economic situation as well as a fear that a new decline will occur too rapidly, is complemented, as it were, by fears associated with the struggle of the working class for its rights, and for raising its standard of living for this carries a threat of reduced revenues from expenditures by comparison with those that are anticipated. It is this that leads to a still more persistent search for means to counteract trade union demands, and claims of workers for an increased share in the product created by new investments. Beyond this, there emerges an effort to alter the terms of distribution in favour of capital. Naturally, a tendency develops towards the greatest possible separation of workers from distribution and attempts to protection of that sphere from trade union pressures.

Secondly, because they operate with large amounts of capital and therefore expose themselves to significant risk, employers would like as much as possible to have a free hand, i.e., to protect

investments from any external control and avoid such commitments as to create new jobs or else preserve old ones and look after other problems of a social character; i.e., they would like to be guided, in deciding on the placing of investments (whether they should go into their own country or abroad, and whether they should be directed to specific branches) exclusively by considerations of maximum and stable profits. This explains their efforts to keep information concerning investments in secrecy at least for some time and not to permit their preliminary discussion in any form, not to mention influences on these decisions.

Third, capital would like to apply the new possibilities that are being provided by the revolution in science and technology, the use of new technology and equipment and rationalization in production entirely to its own aims. This produces a similar effort to avoid social control and demands of trade unions that call, for example, for the establishment of norms with regard to the number of workers serving a particular facility or machine, which would encourage the creation of new jobs to replace those that are lost. Large-scale capital undertakes efforts to avoid any influence on the part of the working class and its organizations on the making of decisions with regard to applications of the achievements of scientific and technical progress.

In this way, the factors that prompt employers to encourage workers' interest in production and in its outcome, to emphasize "common interests" and create participation mechanisms, are opposed by other factors that cause them to act in the opposite direction: to preserve to the greatest possible extent the prerogatives of economic power, to keep workers away from at least its basic levers, to keep secret, as far as possible, information concerning the development of production activities and corresponding decisions in order not to allow these decisions to be influenced. Hence, a tendency towards limiting the democratic rights of workers generally and efforts to weaken their ability to struggle for their rights in all possible ways. Wherever the working class is weak and poorly organized, authoritarian methods are employed; and wherever the working class is able to offer resistance and has won certain rights, efforts are made to reduce them through various types of legislative manoeuvres and at the same time to attenuate the struggle through ideological means or else "release steam" through reforms.

It should be emphasized again that the effort of capitalists to cooperate with workers that was characteristic of nearly the entire

postwar period was replaced in the early 1980s by a sharp change towards a tough policy and explicit campaigning for a "return to the basic values" of capitalism, an open endorsement of the social inequality, elitism and conservatism of bourgeois government institutions and bourgeois democracy and an offensive against the rights of workers including rights in the sphere of production management. In opposition to Keynesianism, neo-Keynesian and similar theories of state regulation of economy, neoclassical theories, monetarism and so-called supply-side economics are endorsed which declare the main basis of economics to lie in the freedom of action on the part of employers that is unimpeded and nearly completely unrestrained. The view that the encroachment of government power on private business has been, "in the main, self-defeating", is a central theme in a collection entitled *The United States in the 1980s*, published by the Hoover Institution and serving as a theoretical basis for the economic strategy of the Reagan administration.⁶⁷ Taking advantage of changes taking place in production and creating favourable conditions for their further development or, more precisely, for extracting growing profits, large-scale capital has intensified its economic, ideological and political offensive against the working class. In a number of developed countries, a government policy of economic support for monopolies and cutting down social funds and social achievements of workers is openly pursued. Grounds are found not only for reducing social insurance funds but also for freezing wages and hence lowering the workers' standard of living. Large-scale capital and ruling circles seek to "revenge" themselves for the concessions that monopolistic capital was forced to make in the 1950s and 1960s at a time when the economic situation was relatively favourable and under the pressure of the militant struggle on the part of workers. This has even led to a revision in the interpretation of "social partnership". For example, in the Federal Republic of Germany bourgeois ideologists are no longer as inclined to refer to the common socio-economic interests of workers and employers.

These contradictory tendencies also explain the ambivalent attitude in bourgeois circles towards participation.

Representatives of the conservative bourgeois wing actively oppose participation or else seek to limit it and transform it into an instrument for integrating workers into the system. As a rule, they reject participation on a parity basis and seek to limit the role of trade unions. But it is difficult, in reading programme documents

of bourgeois parties, to distinguish between their actual effects and demagogic pronouncements.

The programme of the Christian Democratic Union (CDU) adopted at its 26th Congress in Ludwigshafen on October 23-25, 1978, says in part: "Employees and employers perform different labour functions. In doing this they must find a common language as partners... The participation of employees in management and their participation in the formation of production assets expresses the richness of Christian social propositions and serves as a basis of the social market economy... We support free trade unions and free entrepreneurial activities. Employees and employers, trade unions and associations of employers play a decisive role in economic development and in strengthening democracy. The realization of the idea of partnership calls for effective trade unions and employer associations."⁶⁸ Similarly the Programme of the Christian Social Union (CSU) also states that the CSU supports the further development of participation in management and a partner-like division of responsibilities that are functionally justified and in full agreement with the Constitution. Participation in management as a functionally justified share of employees' participation in making significant decisions in the sphere of labour extends, according to the Programme, to a participation of each individual at his work place, participation within the framework of the charter of production units (*Betrieb*) and participation at the level of enterprises (*Unternehmen*). At the level of enterprises, moreover, priority should be given to the enterprise's development so that it may carry out its functional tasks within the framework of a social market economy, including the providing of jobs. The document states that the equality and equal importance of capital and labour resulting from such a partnership, must be reflected and ensured throughout the entire structure of charters of production units and charters of enterprises.⁶⁹

Behind the demagogic propositions concerning the equality of labour and capital and the common nature of their interests, however, it is apparent that the desired objective of participation is better performance of enterprises with regard to their "functional tasks", i.e., increases in their capital. In the mid-1980s, the bourgeois government within which Christian Democrats played a decisive role, initiated an open offensive on the rights of workers in the sphere of management.

Aspects that could be merely discerned in programme documents were occasionally quite clearly expressed in statements by

employers themselves or specialists close to bourgeois circles. In opposing participation, or else rejecting some of its particular forms and especially participation on a parity basis, conservative bourgeois ideologists base their argument on the proposition that the freedom of entrepreneurs is impeded and the effectiveness of production activities declines causing it to be non-competitive. But one can see a far more significant element behind this, namely, a refusal to abandon their position specifically with regard to property. This leads to assertions that participation is a road to "a government of trade unions", to a "socialization" of the means of production that may bring on a "crash of the entire national economy" should the programme for its democratization proposed by left-wing forces be carried out. Or else it is stated explicitly that "if property is one of the decisive elements of the system then participation is an attack on that system, since it is unquestionably an attack on the function of property".⁷⁰

When they support participation, this refers only to forms that are based on private property and competition and only to the extent that it "does not violate these principles and the freedom of entrepreneurial decisions". Such forms of participation are even recognized by British Conservatives who view it as a means for uniting the nation in resurrecting the economy on the basis of Conservative ideals, for, in the words of Peter Walker, a leader in the Conservative Party, "people are more likely to be committed to objects and goals that they themselves have played a part in setting than they are to those imposed upon them".⁷¹

A more flexible adaptation to reality characterizes the liberal bourgeois approach which is marked by attempts to utilize participation as a means for resolving and controlling social conflicts and for creating an element of interest on the part of workers in the results of production activities, in the spirit of "social partnership", as a means of increasing the effectiveness of production. In particular, in the propositions of the Free Democratic Party of Germany (FDP) adopted at its Congress in Freiburg in 1971, participation is viewed as the decisive liberal reform. The FDP document, entitled *Liberal Arguments*, says that private property rights "may be limited whenever they lead to an inappropriate and disproportionate limitation in the freedom of others or else to losses in social welfare". And in that connection "democratic control ... through participation" is proposed.⁷² In practice, however, and in particular in the conflict that arose in connection with an attempt on the part of the Mannesmann concern in 1980 to in effect liqui-

date the most progressive system of participation that had existed since 1951 in the metallurgical and mining industry, the FDP adopted a clearly reactionary position, just as it did as a member of the coalition government in the mid-1980s.

Bourgeois reformists would like to replace class struggle, in the words of Olivier Giscard d'Estaing, a prominent French theoretician, by the establishment of a "social consensus that we define as an agreement on the fundamental objectives of the nation and the system best suited to attain them".⁷³ In this context, it is asserted that workers are not concerned with legal concepts of property and that they are basically concerned with guarantees in employment, conditions of work, payment and social privileges and that, accordingly, "any enterprise, whether state-owned or private, that offers such guarantees will receive in return their loyalty and their labour".⁷⁴ A similar approach is also reflected in a work written by two prominent entrepreneurs, Marcel Demonque and Jean-Yves Eichenberger.⁷⁵ In their view, an enterprise's economic objectives are to produce good quality products at a low price and to provide the means of existence for their employees and their capitalists, while its social objectives are to contribute to the development of personality and to unite people in such a way that the enterprise becomes a community within which human relations contribute to the flourishing of individuals. They write that a replacement of wages by participation in the results of economic activities (i.e., in the distribution of a part of the profits among workers) will show the workers that they are viewed as full-fledged members of the enterprise. The authors add, however, that enterprises should not become centres of a general dialogue and insist on preserving a hierarchy. Like other projects of participation proposed by liberal bourgeois reformists, that project does indeed widen the rights of workers but only to the extent that this is advantageous to capital economically and does not affect the basic levers of power.

It should be noted that an attempt to identify basic trends in the development of views on participation held by capitalists, bourgeois parties and bourgeois scholars can be made with certain reservations. Among representatives of each of these trends one does not find unanimous opinions and, moreover, these often change rather sharply depending on specific conditions. In this respect, the example of the French association of employers is indicative.

In opening the Fourth National Conference of Entrepreneurs (October 15, 1977), François Ceyrac, the President of the National

Council of French Employers, devoted the greater part of his speech to the idea that is expressed in the following passage: "It is necessary to gradually transform conditions of life and work in order to make it possible for the women and men at an enterprise, each at the level of his or her competence, to be more free and more responsible."⁷⁶ He even asserted that "free enterprise is able to integrate what is fundamentally just in the self-management utopia: to provide to individuals the possibility of displaying initiative, creativity and team spirit and to assume responsibility for the problems that arise at their level... Only self-management is able to do this."⁷⁷

Ceyrac made no secret of the fact that all this is associated with the interests of capital and, moreover, constitutes an "issue of life and death" of large-scale capitalist enterprises: "The aim is to diffuse to all levels the spirit of enterprise. For if it remains a monopoly of the enterprise's head the enterprise itself will not survive."⁷⁸

Paul Appell, the president of a committee of that conference, was equally definite in his support of participation: "The enterprise can no longer remain a collection of isolated individuals, carrying out tasks that are distributed arbitrarily and determined by others, and have no meaning for the workers themselves... Whether one turns to safety technology, the environment or the organization of labour it is necessary to provide for the participation of persons who are interested in everything that concerns them directly."⁷⁹

In short, at a conference of French employers in 1977, a number of prominent participants expressed their support for sharing prerogatives in the sphere of management with workers. But barely two years later, the same Paul Appell cautioned against participation as a threat to the mechanisms that govern the functioning of capitalist enterprises. The very title of his article, "The Enterprise at the Altar of Participation", published in a prestigious journal of the French association of employers, is indicative.⁸⁰ A similar shift in his opinion concerning participation is shown by Ceyrac as well. What is it then that happened during that period? In fact, nothing in particular, except for one thing: the struggle of workers for participation and self-management became more active. The slogans that had been given one meaning by representatives of capital were beginning — actually, were barely beginning, given the substantial contradictions with regard to that question among workers, in trade unions, and in various political

streams—to be given another meaning that alarmed large-scale capital.

We find that statements made by the leadership of the employers' association and documents of other associations of employers are of particular interest, for employers are still forced to adopt a relatively clear position in relation to participation. Two trends, namely, an opposition to participation and a striving to utilize it for their own aims, are characteristic of representatives of large-scale capital in nearly all countries.

The Federal Union of Employers' Associations in West Germany in principle recognizes participation based on private property and competition. However, they are opposed to participation on a parity basis that is applied in the mining and steel industries and actively struggle against it. Even the 1976 law that trade unions view as unworthy of being called a law on participation, has brought complaints by employers to the Federal Constitutional Court, on the grounds that it supposedly contradicted the Constitution.

For a prolonged period of time, French employers' association actively opposed participation in management even though it had itself initiated "participation in profits". Subsequently, different trends developed among its members ranging from opposition to participation, which included Ceyrac, to representatives of the "avant-garde" (the Entrepreneurs' Research Centre, the French Centre of Christian Entrepreneurs, the Centre of Young Entrepreneurs), who, while firmly upholding the principle of private property and of free enterprise, support a dialogue between labour and capital as well as reforms that include participation. Public opinion surveys carried out in the 1970s, have shown that employers recognize factory committees, the right of workers to information, consultation and participation in making decisions in the social sphere, and some of them recognize participation in the making of major economic decisions as well. Nevertheless, laws on participation that were adopted at the initiative of the left-wing majority in the National Assembly, were met by capital with active hostility and their implementation will require a continuing struggle.

In a number of countries, and in particular in Sweden and Belgium, employers have initiated participation in management. The approach of Belgian employers to that problem was clearly stated by a group of major entrepreneurs: "We have always given our decisive support to dialogue, but only on certain terms. These terms are clear. There should be no simplified slogans. And no unjusti-

fied demands whose only aim is to undermine the basis of the present system. A renunciation of ambivalent statements. A renunciation of systematic aggressive actions against multinational firms. We wish to engage in discussions only with sincere and positively inclined partners. We assume that they will respect us as much as we respect them and that they will reject attempts to represent employers in terms of caricatures... A clear recognition of the close interrelationship between social initiatives and economic realities constitutes a basic preliminary condition for any serious and realistic policy."⁸¹

A significant element of contradiction in the views of management on the question of extending the rights of workers, is also found by U.S. researchers. Even though in principle U.S. employers appear as advocates of widening these rights, at the same time they consider that the realization of that idea leads to financial losses. A. Murrow, a prominent U.S. specialist in the field of industrial psychology, believes that only 5 per cent of the firms in U.S. industry are managed by employers who are disposed to recognize in practice the deep changes that have occurred in the character of the needs of workers while 95 per cent of the leaders of firms do not hold, as he stresses, "a humanistic management philosophy" and seek to remain without changes and be authoritarian. The study by Thomas J. Peters and Robert H. Waterman, concerning the experience of 62 successful corporations, which has already been mentioned, noted, however, definite shifts in these views. The reasons for the ambivalence were expressed very clearly in the statement that participation may create a need for further participation that management will be unable to provide.

The positions of employers in relation to participation were expressed at an International Management Seminar convened by the Organization for Economic Cooperation and Development (OECD) that was held in Versailles in 1975, at a time when crisis phenomena in the capitalist world were growing and large-scale capital was seeking a way out of a difficult situation. The very fact that the seminar was held at precisely that time is significant in many respects and its findings on the question are of particular interest. Sixty representatives of employers in 23 countries participated.

They expressed different views but in most cases even though their arguments differed they generally expressed support for involving workers in production management. But to a certain degree. A characteristic statement was that of Yvon Chotard,

Vice-President of the National Confederation of French Employers. While stressing that participation is essentially "a question of associating the worker more closely with the life and aims of the enterprise by enhancing his personal role in the economic unit with which he works",⁸² he openly declared that the greater satisfaction derived from work will reduce the number of strikes. He appealed for giving workers a greater possibility to display initiative but at that very point added a decisive clarification: the last word should remain with managers. The seminar's Chairman, Rojer Décosterd, stressed the need to develop participation and even widen the sphere and increase the activity of worker representatives in directors' councils. However, he noted at the same time that these measures are intended to counter "any attempt from the outside to politicize the enterprise's activity",⁸³ and also warned against "far-reaching legislation" in relation to direct participation, since one must not "place the cart before the horse".⁸⁴

Contradictory views among representatives of capital and in political currents associated with them, find their expression in the fact that a struggle is developing concerning various types of participation projects not only between capital and labour but also within the bourgeoisie itself, in the sphere of ruling circles as well as within political trends with a common direction. In particular, an intense struggle developed in Great Britain around the study by a government commission on industrial democracy established at the initiative of Labourists and trade unions and headed by Lord Bullock. The commission itself had become divided in the course of its work and three of its members representing employers prepared a separate document, a Minority Report.⁸⁵ The Majority Report, known as the Bullock Report (its substance will be considered later), found itself in the centre of tumultuous discussions and continues to be subjected to criticism both from the right and from the left. Practical measures to assure its implementation have not been adopted. In France, the Sudreau Report,⁸⁶ prepared by a government commission influenced by the ideas of Valéry Giscard d'Estaing, met with a similar fate. The commission's proposals were subjected to criticism both from the right and from avant-garde trends among French employers. It was replaced by the Stoléro project on participation (named after the former State Secretary in the Ministry of Labour and Participation). Widely quoting Valéry Giscard d'Estaing in his article entitled "Le projet PARTAGE", Stoléro elaborated ideas

relating to participation in various dimensions: institutional, i.e., legally formalized; financial, i.e., participation in profits that are asserted to allow even "French workers not only to participate in revenue but to become co-owners of the national industrial heritage and rulers of France"; social, i.e. "bearing on the everyday life of enterprises". Stoléro did not forget to warn of the danger to those who neglect participation: "dissatisfaction may become explosive".⁸⁷ French Communists consider that the aim of the Project is to encourage "self-exploitation" and self-discipline on the part of workers by allowing them to make decisions that do not extend, however, beyond the control of the management.⁸⁸ But such a project, too, meets with the objections on the part of French employers.

Nevertheless, caution by no means implies a rejection by employers of the possibility of utilizing participation to serve their own ends.

One may judge the approaches and criteria that are used in the search by representatives of capital and its theoreticians studying the problem of participation and also the reason why in spite of all contradictions its development is proceeding and it is increasingly implanted from above from such statements, as, for example, by Karl Hondrich, a West German liberal bourgeois sociologist: "From the point of view of enterprises' efficiency, instituted forms of participation are preferable to autonomous worker control." What are the criteria that guide him in arriving at that conclusion? "This type of participation weakens opposition among personnel when technological innovations are introduced at enterprises. In the event of conflicts they are settled through a mechanism that regulates tensions."⁸⁹ In the view of some bourgeois theoreticians, trade unions and collective bargaining are vestiges of early capitalism when the interests of the main "industrial groups" were mutually opposed and are not appropriate today when the interests of these "groups", supposedly, increasingly coincide. Accordingly, it is proposed to endow "industrial relations" with a compromise-seeking character. Within that system of relations, moreover, trade unions and organs of participation should divide their functions: "trade unions operate in the direction of conflict, and production councils—in the direction of integration."⁹⁰ This last observation points to the great expectations that are associated with participation.

In this respect, the direct juxtaposition of the idea of participation to "general expropriation" in Giscard d'Estaing's book en-

titled *French Democracy*, is very instructive as is the observation that expropriation is a "frightening thought".⁹¹

If one analyzes the essence of capital's objectives as they are reflected in statements by its representatives, theoreticians and apologists, one finds that together with its seemingly democratic gesture that is represented by the participation of workers in production management, the objective is to replace the transfer of property into the hands of workers with participation, i.e., to only slightly change or else not change at all, their socio-economic status while seeking at the same time to achieve a maximum effect in increasing the productivity of labour. Accordingly, in this sense the aim of capital is directly opposite to that of workers in seeking to gain control over the means of production. And the less evident is this basic striving of workers the greater the success of capital.

This conflict between the objectives of labour and capital, is clearly evident in documents relating to numerous conferences, symposia and meetings concerned with participation and especially to those where representatives of both sides met. For example, at a conference on "Worker Participation in Management at the Level of the Enterprise" held in 1978 by the Gramsci Institute and the Lombardy Centre for Documentation and Research, whose participants included Communists, Socialists, representatives of trade unions and employers, there was a wide-ranging juxtaposition of views, above all, with regard to the possible application in Italy of institutionalized forms of participation of the "German type". Representatives of the workers' movement clearly expressed the thought that it is not possible to agree to "social partnership" in any of its forms and that only a consistent struggle can bring about a genuine widening of rights of workers in the sphere of managerial decisions. This same juxtaposition of the interests of workers and capital in the sphere of production management recurred at many other conferences and symposia.

It should be noted that turning to a strategy of "social revenge", an influential part of the representatives of capital hardened their positions with regard to participation. In particular, at the symposium on "Renovation: a Challenge to the Workers' Movement" organized in Milan in March 1985 by the Italian Communist Party, it was noted that at that time many persons sought to persuade public opinion that the development of technological renovation processes required an appeal for general order, and to a kind of social and political restoration. But in Italy such a course could produce

processes of stagnation rather than renovation, and in the long run lead to degradation. Should that approach be successfully imposed upon the country, the technological renovation processes would then prove devastating for the people as alienation, isolation, disillusionment, social conflicts and contradictions would be enhanced. In such an event technological renovation processes could lead to various types of manifestations of authoritarianism, "reduced participation by workers and to a crisis of the democratic regime". The only approach that could guide technological renovation processes towards outcomes that serve the liberation of man, changes in methods, in forms of human labour and the development of participation and democracy, is a profound renovation of political and economic structures.⁹² The above-said makes it possible, in our view, to draw the following conclusions.

First, the participation of workers in the management of capitalist production is a phenomenon that possesses an objective basis in material production. It is a historical phenomenon that corresponds, above all, to a specific phase in the development of capitalism's economic relations and that also reflects the level of development of social consciousness.

Secondly, in actual fact, the active character of both capital and labour in developing participation which appears today as a reciprocal mutually interested movement, is a movement expressing mutually opposed tendencies and economic interests. The need of workers to participate in production management is a transformed form of their need for the means of production, that corresponds to the present level of its socialization; while capital seeks to make use of participation in order to overcome the vices of a form of work, namely, hired labour that is historically unviable by preserving their right to the means of production. This is why participation is a stage for an intense class struggle.

Third, the basic economic interests of both capitalists and workers, because of the contradictory character of the economic factors that influence them and also because of the complex nature of the process through which reality is reflected in the consciousness of individuals, find different expressions with regard to participation. This explains the contradictory views on participation both among representatives of capital and among workers as well as in political movements and organizations representing each of these sides and constitutes a basis for a struggle of ideas on problems of participation within these trends and organizations.

NOTES

- ¹Karl Marx, *Capital*, Vol. I, Progress Publishers, Moscow, 1978, p. 313.
- ²Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. Two, Progress Publishers, Moscow, 1977, p. 363.
- ³Karl Marx, *Capital*, Vol. I, p. 404.
- ⁴Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. Three, 1973, p. 369.
- ⁵Karl Marx, Frederick Engels, *Collected Works*, Vol. 22, Progress Publishers, Moscow, 1986, p. 426.
- ⁶Karl Marx, Frederick Engels, *Collected Works*, Vol. 6, 1976, p. 519.
- ⁷Karl Marx, *Capital*, Vol. I, pp. 713-15.
- ⁸*Ibid.*, p. 82.
- ⁹Cf. Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. Two, p. 16.
- ¹⁰Karl Marx, Frederick Engels, *Collected Works*, Vol. 3, 1976, p. 274.
- ¹¹*Ibid.*
- ¹²*Ibid.*
- ¹³Karl Marx and Frederick Engels, *Selected Correspondence*, Progress Publishers, Moscow, 1982, p. 442.
- ¹⁴S.L. Rubinshtein, *Bytiye i soznaniye* (Being and Consciousness), Moscow, 1957, p. 14.
- ¹⁵Cf. B.D. Parygin, *Obschestvennoye nastroyeniye* (Social Mood), Moscow, 1966, p. 314.
- ¹⁶"Participation des travailleurs et structure des sociétés dans la Communauté Européenne", *Bulletin des Communautés Européennes*, Brussels, 1975, Suppl. No. 8, pp. i-iii; Hildegard Waschke, *Mitbestimmungssysteme im Ausland. Ein Überblick über die Mitwirkung ausländischer Gewerkschaften in Betrieb, Unternehmen, Gesamtwirtschaft*, Deutscher Instituts-Verlag, Cologne, 1982.
- ¹⁷Volker Jung, "Mitbestimmung aus Europäischer Sicht", *Die Neue Gesellschaft*, No. 9, September 1974, pp. 741-42.
- ¹⁸Hans von der Groeben, Heinz Oskar Vetter, Otto A. Friedrich, *Europäische Aktiengesellschaft: Beitrag zur sozialen Integration?*, Europa Union Verlag GmbH, Bonn, 1972, pp. 41-42.
- ¹⁹*Ibid.*, p. 42.
- ²⁰"Aktionsprogramm '79", *Gewerkschaftliche Monatshefte*, No. 12, 1979, pp. 801-802; *DGB-Programm '81: untersucht für die Praxis*, Frankfurt-on-the-Main, 1981, pp. 208-47.
- ²¹*Le Peuple*, Nos. 1135/36/37, June 13 to July 18, 1982.
- ²²Sergio Turone, "Cogestione: nessuno ha la ricetta. Studiamola", *Il Messaggero*, No. 299, November 13, 1977, p. 2.
- ²³"Proposta di documento per l'assemblea nazionale dei Consigli generali e dei delegati" (Milan, January 15-16-17, 1981), *Rassegna Sindicale*, No. 42, November 13, 1980, Rome, p. V.
- ²⁴*Industrial Democracy*, Report by the TUC General Council to the 1974 Trades Union Congress, London, 1974, p. 45.
- ²⁵Report of the Committee of Inquiry on Industrial Democracy. Chairman Lord Bullock. Presented to Parliament by the Secretary of State for Trade by

- Command of Her Majesty, January 1977, London, Her Majesty's Stationary Office, pp. 98-102.
- ²⁶*Le Peuple*, No. 990, May 15 to 30, 1976, p. 25.
 - ²⁷*World Marxist Review*, No. 7, 1980, p. 48.
 - ²⁸*World Trade Union Movement*, No. 12, 1976, p. 17.
 - ²⁹*Das Mitbestimmungsgespräch*, No. 9, 1977, pp. 159, 160, 161.
 - ³⁰*Evidence to the Committee of Inquiry on Industrial Democracy*, Communist Party of Great Britain, Executive Committee, London, February 23, 1976, p. 1.
 - ³¹*Protokoll des 6. Parteitags der Deutschen Kommunistischen Partei 29. bis 31. Mai 1981, Hannover-Stadthalle*, Herausgeber: Deutsche Kommunistische Partei, Parteivorstand, Druck und Verlag, Plambeck & Co., Neuss, s.a., p. 60.
 - ³²"A Democratic Antimonopoly Government", in: *The Road to Socialism in Canada*, Toronto, 1972, pp. 47-48.
 - ³³*Documents of the Eleventh Congress of the Communist Party of India, Bhakar Nagar, Bhatinda, March 31 to April 7, 1978*, Communist Party Publication, New Delhi, pp. 49, 50.
 - ³⁴*World Marxist Review*, No. 3, 1987, p. 83.
 - ³⁵"Focus on West Germany", A Special Supplement to the *International Herald Tribune*, Zurich, April 1981, Part 1, p. 8. Somewhat earlier a similar review appeared concerning the well-known "social explosion" in Sweden, saying, "the money issues in the strike are ridiculous". In this connection, an opinion of a worker who announced that a pay increase for him is not the most important thing was noted as being typical. "I want," he said, "to have a more direct say in things, in what happens in the neighborhood. I want to participate more." (John Vincour, "Good Life Strikes Back at Sweden", *International Herald Tribune*, May 6, 1980.)
 - ³⁶Walter Nickel, "Zum Image der Gewerkschaften", *Gewerkschaftliche Monatshefte*, Cologne, No. 4, 1978, p. 237.
 - ³⁷G.G. Diligenskii, "Mass Socio-Political Consciousness of the Working Class of Capitalist Countries: Problems of Typology and Dynamics", *Rabochii klass i sovremenniy mir* (The Working Class and the Modern World), No. 2, 1984, p. 33 (in Russian).
 - ³⁸Ken Coates and Tony Topham, *Workers' Control*, London, 1970, p. 263.
 - ³⁹Alfredo Reichlin, "L'Italia alle soglie del 2000", *Rinascita*, No. 15, April 13, 1984, p. 4.
 - ⁴⁰Alan Fox, *Man Mismanagement*, Hutchinson of London, 1974, pp. 16-20, 70-74.
 - ⁴¹*World Marxist Review*, No. 7, 1980, p. 50.
 - ⁴²*Ibid.*, No. 8, 1975, p. 17.
 - ⁴³How, for example, writes Alvin Toffler, the author of the book entitled *The Eco-spasm Report*, can the government of the United States "regulate a foreign subsidiary of one of its own banks when that subsidiary may be jointly owned by banks in Japan, England, Sweden, or Germany? And what prevents bankers from legally doing abroad what is regarded as distinctly illegal, if not immoral, at home? ...How, in this schizophrenic economy, can anyone regulate either the monster banks or the little midgits and gnats that operate in their shadows, when each country explicitly refuses to allow anyone else to do the regulating? ...Trying to get a handle on a multinational is like trying to pick up a writhing fish with two fingers." (Alvin Toffler, *The Eco-spasm Report*, Bantam Books, Toronto, New York, London, 1980, pp. 7, 13.)

- ⁴⁴*World Marxist Review*, No. 3, 1987, p. 71.
- ⁴⁵The following example is characteristic: the replacement of electromechanical parts by electronic ones on the teletype machine which is produced at the Standard Electric Lawrence plant in Pforzheim has resulted in 936 mechanical parts being replaced by one electronic element; while previously the assembly of the teletype machine required 75 hours, with the mastering of the electronic model it was reduced to 11 hours. As a result, out of the 400 workers assembling teletype machines, 150 were laid off and 150 were demoted. In Switzerland today new technologies make it possible to produce millions of watches without the aid of a single watchmaker: materials and parts are fed at one end of the automated line and watches appear at the other end. A single microprocessor replaces over 900 components in telex apparatuses, reducing the time used for their production from 75 down to 17 hours.
- ⁴⁶Karl Marx, *Capital*, Vol. I, p. 589.
- ⁴⁷Richard Clarke, "New Technology. Workers' Enemy or Ally?", *World Marxist Review*, No. 3, 1983, pp. 77-78.
- ⁴⁸*Rinascita*, No. 2, 19 January 1985, pp. 6-7.
- ⁴⁹Ben B. Seligman, *Business and Businessmen in American History*, New York, The Dial Press, 1971, p. 1.
- ⁵⁰Karl Marx, Frederick Engels, *Selected Works* in three volumes, Vol. Three, p. 443.
- ⁵¹*Ibid.*, p. 441.
- ⁵²*Ibid.*, pp. 441-42.
- ⁵³Cf.: N.G. Chernyshevsky, *Selected Economic Works*, Vol. III, Part I, Moscow, 1948, p. 305 (in Russian).
- ⁵⁴*Ibid.*, pp. 307-8.
- ⁵⁵*Ibid.*, p. 308.
- ⁵⁶*Ibid.*
- ⁵⁷Cf.: Karl Marx, Frederick Engels, *Collected Works*, Vol. 29, 1987, p. 94.
- ⁵⁸Cf.: Karl Marx, *Capital*, Vol. I, p. 191.
- ⁵⁹Thomas J. Peters and R.W. Waterman, Jr., *In Search of Excellence. Lessons from America's Best-Run Companies*, Harper & Row Publishers, New York, 1982, pp. 14, 29.
- ⁶⁰*Newsweek*, March 26, 1973, p. 41.
- ⁶¹*World Marxist Review*, No. 5, 1980, pp. 94, 95.
- ⁶²*Ibid.*
- ⁶³*Ibid.*, No. 7, 1980, p. 43.
- ⁶⁴Karl Marx, Frederick Engels, *Collected Works*, Vol. 20, 1985, p. 11.
- ⁶⁵*Ibid.*, Vol. 6, 1984, p. 179.
- ⁶⁶V.I. Lenin, *Collected Works*, Vol. 6, Progress Publishers, Moscow, 1977, p. 508.
- ⁶⁷*The United States in the 1980s*, ed. Peter Duignan, Alvin Rabushka, Stanford University, 1980, Board of Trustees of the Leland Stanford Junior University, p. 198.
- ⁶⁸*Grundsatzprogramm der Christlich Demokratischen Union Deutschlands: Beschlossen vom 26. Bundesparteitag. Ludwigshafen 23-25 Oktober, 1978*, Bonn, Cologne, 1978, Hrsg. CDU-Bundesgeschäftsstelle.
- ⁶⁹*Grundsatzprogramm der Christlich Sozialen Union*, Vogel-Verlag, Munich, 1977, p. 49.

- ⁷⁰H.M. Schleyer, "Mitbestimmung. Angriff auf das Eigentum", *Der Spiegel*, No. 44, October 22, 1968, p. 70.
- ⁷¹Peter Walker, *The Ascent of Britain*, London, Sidgwick & Jackson, 1977, p. 80.
- ⁷²*Mitbestimmung. 35 Modelle und Meinungen zu einem Gesellschafts-politische Problem*, Siegfried Hergt, Heggen-Verlag, Oplanden, 1974, p. 84.
- ⁷³Olivier Giscard d'Estaing, *Le social-capitalisme ou les chemins de la prospérité mondiale*, Paris, 1977, p. 22.
- ⁷⁴*Ibid.*, p. 274.
- ⁷⁵Marcel Demonque, Jean-Yves Eichenberger, *La Participation*, Editions France-empire, Paris, 1968, pp. 92, 93.
- ⁷⁶Jean-Claude Poulain, *Décider au travail*, Editions sociales, Notre Temps Société, Paris, 1979, pp. 13-14.
- ⁷⁷*Ibid.*, p. 14.
- ⁷⁸*Ibid.*, p. 16.
- ⁷⁹*Ibid.*, p. 17.
- ⁸⁰Paul Appell, "L'Entreprise sur l'autel de la participation", *Revue Française de Gestion*, 1979, May-June-July-August.
- ⁸¹*Le patronat Belge*, Brussels, 1980, pp. 105-6.
- ⁸²*Workers' Participation. Final Report on an International Management Seminar Convened by the OECD, Versailles, 5th-8th March 1975*, Paris, 1976, p. 15.
- ⁸³*Ibid.*, p. 27.
- ⁸⁴*Ibid.*, p. 30.
- ⁸⁵"Industry Not Ready for Drastic Changes, Minority Members Say", *The Times*, January 27, 1977, p. 4.
- ⁸⁶*La réforme de l'Entreprise. Rapport du Comité Présidé par P. Sudreau*, Paris, 1975.
- ⁸⁷*Le Monde*, October 1-2, 1978, pp. 1, 22.
- ⁸⁸Jean-Claude Poulain, *Décide au travail*, Editions sociales, Paris, 1979, pp. 119-37.
- ⁸⁹K.O. Hondrich, *Mitbestimmung in Europa. Ein Diskussionsbeitrag*, Europa Union Verlag GmbH, Cologne, 1970.
- ⁹⁰*Ibid.*, pp. 33-34.
- ⁹¹V. Giscard d'Estaing, *Démocratie française*, Fayard, Paris, 1976, p. 88.
- ⁹²*Rinascita*, No. 10, 1985, p. 38.

Chapter Two

PARTICIPATION YESTERDAY AND TODAY

Naturally, the influence of objective tendencies that engendered the phenomenon of participation did not manifest itself in a single day. The participation observed today, possesses its own history. To understand this phenomenon more thoroughly and establish how it differs from similar phenomena in the past, we must turn to its history. As we have already noted, it has been described and analyzed in a number of works. In relying on these studies, the author does not seek to provide a detailed description or additional facts but primarily to establish grounds for his own interpretation of participation.

Lenin's Idea of Worker Control and Revolutionary Practice

Historically, the initiative for participation belongs to the working class and not to capital as bourgeois ideologists seek to convey. Unfortunately, this position is occasionally endorsed by those opponents of capital, including Marxists, who express a one-sided approach to participation and view it primarily as social partnership, i.e., as an ideological function that employers in fact wish to ascribe to it.

In effect, efforts to limit the power of capital in the sphere of production management, appeared together with the organized labour movement itself. The very idea of trade unions defending the interests of workers in their struggle against entrepreneurs in the sphere of production, represented the first such limitation.

It is another matter that the possibilities and the horizons of the first trade unions were narrow for at least two objective reasons: first, the notion of decision-making being a prerogative of proprietors and the managers was deeply instilled in the consciousness of the working class. This is a sacred right, as indisputable as the right to private property which was also considered to be natural. Secondly, at that time, trade unions were simply not developed and had a poor conception of what rights they should demand in the making of particular decisions.

In the 1840s, when trade unions in a number of countries had already existed for half a century or more, Marx and Engels noted the extremely limited character of their influence even in improving the workers' economic position. In *The Condition of the Working Class in England*, Engels writes that "the history of these unions is a long series of defeats of the working-men... All these efforts naturally cannot alter the economic law according to which wages are determined by the relation between supply and demand in the labour market. Hence the Unions remain powerless against all great forces which influence this relation."¹ This reflected the actual state of affairs. Strikes had little effect on the level of wages and attempts to limit the working time also did not produce tangible results. It was thought that the material position of workers could be improved only through a proletarian revolution. However, the workers' struggle which was becoming more and more persistent and organized, made it increasingly clear that it was possible to achieve certain results already during its course. What was primarily advocated was not a comparison of the final objective with the daily struggle of the workers, which at particular stages led only to limited advances, but a combining of long-term tasks with current tasks. For this reason, the achievement by the English working class of a 10-hour working day—the first legal limitation on working time—was viewed by Marx as a "victory of a principle",² in the sense that this was an achievement on the way to a final objective, namely, a victory of the political economy of the working class that proclaimed, in opposition to bourgeois political economy, the principle of "social production controlled by social foresight".³ Later Marx characterized factory legislation as "the first conscious and methodical reaction of society against the spontaneously developed form of the process of production".⁴ Already in 1880, Marx insisted that the election programme of the French workers' party include the demand for the participation of workers in the formulation of rules for various workshops and that

the right usurped by employers to impose fines on workers and to make deductions from wages be abolished. In short, he spoke against the usurpation of managerial prerogatives by the owners of the means of production. This reflected the efforts of workers to limit the total power of capital without delay.

The new life of this idea and its concrete expression in the form of a class slogan of worker control as well as its application in revolutionary practice, are associated with the Russian workers' movement and with V.I. Lenin.

The basic features of Lenin's approach to the problem of the working class's intervention in production management are associated with the fact that the idea of worker control emerged and developed during a period of a rising tide in the labour movement and an impending revolution.

Lenin first mentioned "workers' inspection of factories"⁵ in a work entitled "Two Tactics of Social Democracy in the Democratic Revolution" which was written on the eve of the first Russian revolution of 1905-07. He returned to this idea in the period between the following two revolutions—the February bourgeois-democratic revolution and the October Socialist Revolution, and after the victory of the latter he continued its elaboration and created a completed concept of worker control.⁶ On the one hand, that concept is based on theoretical conclusions of Marxism and generalizes the entire previous experience of the workers' movement, and on the other, it reflects the most immediate issues around which the struggle between labour and capital evolved on the eve of the October Revolution and during its course. That concept pursues a dual objective, as it were: it is aimed at the future, i.e., it considers workers' control as an instrument of revolutionary transformations and the successful establishment of the working class in the role of the leader of a new economy but, at the same time, it takes into account the possibilities of using that instrument in the struggle for an immediate satisfaction of the workers' most pressing needs.

Lenin considered it possible to establish workers' control even before carrying out socialist transformations.⁷ He associated this not only with the problem of maintaining and extending the socio-economic achievements of workers but also with the possibility of developing the democratic process in the direction of socialism and of the accession of workers to power without armed struggle, with which he associated a system of democratic measures that he proposed in particular in the work entitled "The Impending Cata-

strophe and How to Combat It".⁸ In that sense, workers' control, too, may be viewed as a democratic measure in the democratic stage of social transformation.

Let us recall that the struggle between the proletariat and the bourgeoisie in the period between the February and the October revolutions was centred on the issues relating to an eight-hour working day, higher wages and the intervention of workers in management of enterprises.

The bourgeoisie denounced the working class accusing it of "excessive demands" and a striving towards "self-enrichment", and called for "self-imposed limitations". But it was particularly displeased with those of the workers' claims that infringed upon the entrepreneurs' prerogatives of power. It saw the greatest danger in the efforts of workers to intervene in management activities and to gain control over production.

In June 1917, the Council of Congresses of the Metalworking Industry (an association of employers in that branch of industry), addressed a letter to the Ministers of Industry and Commerce, and of Labour. In particular, it was noted that "a general meeting of workers in P.V. Baranovsky's plant resolved at its sessions on May 11 and 16 of this year to elect a commission for economic control over P. V. Baranovsky's entire enterprise, and more specifically to control: (1) deliveries and expenditures of raw materials (coal, brass, copper and others); (2) shipments of finished products: cases, pipes and others; (3) receipts and expenditures of all monetary sums such as: payments to workers, white collars and technical personnel and others; and (4) activities relating to food supplies." In that connection, the authors of that document stated that "demands of this type constitute an act of illegal intervention into the sphere of purely entrepreneurial interests", and also that "this is not a matter of individual enterprises. It is a matter of concrete violations of the principle of private property in relation to capital."

The objectives of the workers' struggle and the bourgeoisie's apprehensions are seen equally clearly in the Declaration of the Conference of Industrialists of South Russia addressed to the Provisional Government concerning basic issues in the economic and political programme of the monopolistic bourgeoisie, which demanded that the working class be brought to order (dated May 27, 1917). In what they described as "endlessly growing demands" the industrialists saw "two sides—*economic* and *political*". They considered, moreover, that "the *political* side of the demands for

increasing wages results from demands for implementing an eight-hour working day without corresponding loss in pay, and also from a clearly expressed striving to engage in the struggle against entrepreneurs and capitalists through a compulsory levy on their financial resources that reduces and destroys not only profits but the enterprises' capital as well."

It may thus be seen that the bourgeoisie is well aware of the connection between the working class's economic and political demands and of the fact that behind purely material demands one could discern with increasing clarity the issue of prerogatives of economic and political power and of the system of capitalist economic relations itself.

Reading further, the next section of that document states that "connected with this is the striving of workers to subordinate all white- and blue-collar workers to themselves through their factory committees ... by practising control over entire production and over the instructions of owners and of their trusted representatives".

The bourgeoisie associated directly the issue of control with that of realizing the ideas of socialism, which at the time were held by wide sections of the working people and, albeit somewhat transformed, were reflected in programme documents of practically all political parties. It was repeatedly asserted that "under existing conditions in the world economy no economic structure other than a capitalist one is possible in Russia" (Resolution of a conference of representatives of trade and industrial organizations, June 1-2, 1917), and that "there can apparently be no doubt that at the present time Russia is unable to assimilate a socialist organization of the national economy" (Memorandum of the Acting Minister of Industry and Commerce, V.A. Stepanov, to the Provisional Government of June 8, 1917). At the same time, corresponding recommendations were also provided. It was stated that "nevertheless, at the present time while denying the possibility of introducing socialism, the government cannot recommend the country a return to a free economy either, as was only recently the insistent wish of representatives of primarily commercial capital... The only remaining approach is that of state regulation of leading branches of the economy with the help of those forces that it itself identifies, without wavering in relation to the principle of private property and without setting aside personal initiative, but with a subordination of both to the social interest." Accordingly, instead of worker control, the bourgeoisie proposed state control over the

economy while insisting that it alone should carry out regulation and control.

In short, the need for control over the economy in struggling against economic dislocation was recognized by different political forces. But the principal issue concerned the identity of the class in whose hands that control would be held and that would guide the campaign against economic disruption and the direction in which it would develop over the long term.

Lenin and members of the Bolshevik Party understood well the profound relationship that existed between the direct material demands of workers and their struggle for a right to make decisions concerning production and distribution themselves and to occupy a fundamentally new position in the system of economic and social relations — not that of hired slaves but that of owners. The relevant propositions of the Bolsheviks' programme differed from all others precisely in that from the very first they envisioned an immediate transfer of decisions on all economic questions to workers and peasants. This was intended to contribute to a class-oriented influence on the developments and to democratic advance towards socialism. At the same time, it was necessary to let workers sense their own ability to decide economic problems even under the difficult conditions of economic dislocation, and their responsibility not only for consumption but also for production activities. Aside from everything else, a different approach could encourage consumer-oriented and parasitic sentiments among workers and a striving to solve material problems not by creating a new economy but entirely through a redistribution of incomes, which could not yield the desired result and was not comparable with a "redistribution" of the means of production and their more effective utilization in the context of new economic and social relations. (Such a threat became a reality, as will be noted later, at the time of the revolution in Chile and partly in Portugal.)

Lenin firmly opposed any manifestations of the purely consumer approach to revolution. At the Second Congress of the Communist International, he resolutely rejected the propositions presented by Arthur Crispian, a prominent member of the German Social Democratic movement, who envisaged different solutions to the question of revolution depending on how it affected the population's standard of living, i.e., on its immediate results. The Bolsheviks also rejected a left-wing orientation on a self-imposed non-participation by the revolutionary proletariat in decisions relating to the country's economic problems. These questions were con-

sidered at the Sixth Congress of the Russian Social Democratic Labour Party in July and August, 1917. In its conclusions and concrete demands, one found an embodiment of the basic propositions of Lenin's works clarifying the consistently constructive orientation of the proletarian revolution's economic programme. Some delegates to that congress, including N. Osinsky, raised doubts concerning the appropriateness of the participation by the working class in the effort to restore the economy of the country at a time when power had been consolidated in the hands of the bourgeoisie. The view was expressed that in that new situation, the capitalists themselves, in pursuing their interests, would address themselves to the task of economic regulation. In particular, N. Osinsky stated that "the bourgeoisie will find the measures that are needed to struggle with the country's economic dislocation... In the present situation the bourgeoisie will implement these measures and will begin to organize production activities." (Characteristically, at a later time representatives of the left wing in Chile repeated these propositions almost literally and defined a slogan according to which production should be "the concern of capitalists and not of the people".) The congress rejected this view and the subsequent course of events confirmed its unsoundness. The bourgeoisie showed that it was unable to provide the measures of reorganization and regulation of production that were required to overcome the crisis. The most important point was that the congress condemned the very idea of assigning economic matters to the bourgeoisie.

Even on the eve of the October Revolution when its course of events brought the working class and the Bolshevik Party to the very threshold of assuming state power, Lenin and his associates did not consider it possible to abandon the economic programme that had been developed to apply to the conditions of bourgeois Russia. Lenin firmly opposed proposals to set aside the general democratic part of the Party Programme (the minimum programme) and to refer only to measures that were directly associated with socialist transformations.⁹

The Bolsheviks proceeded from Marxist propositions that communism's organization is "essentially economic"¹⁰ and that the working class in its struggles brings to the front "as the leading question ... the property question".¹¹ Yet, Lenin's approach to that problem could by no means be reduced to a problem of nationalization (this is considered in more detail in Chapter Three). It is important to stress that his concept of worker control can only be

understood correctly in the context of a system of propositions relating to the process of transformation in economic relations. They refer to the transformation of these relations in their entirety and the problem of property itself was by no means reduced to a confiscation of the property of capitalists and landowners but also included the question of realizing its social character by bringing into operation a mechanism of social regulation of the economy at all levels. In developing a step-by-step programme of democratic and socialist transformations, Lenin came to the conclusion that "capitalism cannot be vanquished without *taking over the banks*, without repealing *private ownership* of the means of production. These revolutionary measures, however, cannot be implemented without organizing the entire people for democratic administration of the means of production captured from the bourgeoisie, without enlisting the entire mass of the working people, the proletarians, semi-proletarians and small peasants, for the democratic organization of their ranks, their forces, their participation in state affairs."¹²

Lenin's position on that issue and the role of workers' control within a system of socio-economic transformations are clearly evident in the well-known proposition concerning the core of a revolutionary economic programme: "The important thing will not be even the confiscation of the capitalists' property, but country-wide, all-embracing workers' control over the capitalists and their possible supporters. Confiscation alone leads nowhere, as it does not contain the element of organization, of accounting for proper distribution."¹³ In particular, Lenin noted that depending on who would guide the process of socialization of production in the context of the democratic stage of the revolution, the activities of an enterprise nationalized by the state might be directed:

— "Either in the interest of the landowners and capitalists, in which case we have not a revolutionary-democratic, but a reactionary-bureaucratic state, an imperialist republic.

— "Or in the interest of revolutionary democracy — and then *it is a step towards socialism*."¹⁴ In the case of Russia, the second variant remained as only a theoretical assumption, for revolutionary practice, because of certain historical circumstances, moved on substantially further, stepping over the corresponding situation in the development of the class struggle.

In Soviet Russia, as a result of the October Revolution, power was transferred to the workers. A decree of the Central Executive Committee of November 14, 1917, endowed elected bodies of the

workers—the factory committees, councils of elders, economic control commissions and others—with the right to actively intervene in the management of production activities and control over instructions formulated by enterprise administrations. According to data from the industrial census of 1918 which was carried out throughout the country (with the exception of the Urals and the Donets Basin), 64 per cent of the factory committees and workers' control commissions participated directly in the management of factories. Moreover, in the case of enterprises employing between 500 and 1,000 persons, 74 per cent of factory committees and control commissions participated in management, while at enterprises employing more than 5,000 workers, nearly all such bodies participated.

The Bolshevik Party sought to make workers' control a means of transformation of the economy and all social relations. This had already become possible in the context of workers' power and of a transfer to it of the economy's "commanding heights". The Party struggled decisively against the Menshevik orientation on limiting the role of workers to "normalizing" production activities. The Party was transforming organs of workers' control into an instrument of class struggle and a school of practical training and preparation of the proletariat for a transition from "worker control" to "management by workers" of factories, plants, and railroads in the context of socialist ownership.

In addressing revolutionary Russia's workers, Lenin noted: "Your factory committees must cease to be merely factory committees, they must become the fundamental state nuclei of the ruling class."¹⁵ And indeed the organs of workers' control did contribute to the proletariat's assertion of its role as a class leading socialist economy.

At the same time, Lenin stressed that taken by itself, outside the framework of the issue of ownership and power, workers' control could not change the economy's social nature. Conversely, the very concept of "control" implies that that form of activity of the proletariat does not yet resolve the cardinal question relating to ownership of the means of production and that the working class has not yet become a full-fledged owner.

Lenin's idea of workers' control together with the revolutionary practice associated with the struggle to achieve it in Russia and experience in organizing it following the victory of the socialist revolution, exerted an immense influence on the workers' movement and especially on the communist movement, in particular

immediately following the October Revolution. Subsequently, that experience contributed to the establishment of workers' control and a transition to socialist social relations in countries that followed the path of revolutionary transformations and building socialism. And today as well Lenin's analysis of the Russian experience serves as a methodological basis in approaching problems of the participation of workers in production management both under conditions of capitalism and in periods of transition to building socialism. While, as we will show later, participation acquired new specific traits that required a creative approach to this issue and a consideration of numerous specific circumstances, the fundamental propositions formulated by Lenin continue to be relevant today.

The October Revolution in Russia led to an activation of wide masses of the people throughout the world. Revolutionary events began to develop nearly simultaneously in a number of countries: in Germany, a bourgeois-democratic revolution brought the Kaiser regime to an end; the Hapsburg monarchy in Austria-Hungary collapsed resulting in the formation of the Austrian, Hungarian and Czechoslovak republics; a revolutionary wave swept through Serbia, Bulgaria and Romania. In France, Italy, Great Britain, Holland, Denmark and other countries a strike movement assumed wide dimensions and there were massive anti-government demonstrations. It is in the context of that situation that communist parties emerged and gained strength in a number of countries.

The organs of workers' power that were established during that period in the course of the revolutionary movement, when it succeeded in achieving even a temporary victory, combined in an organic way (or else sought to combine) functions as political bodies with functions of control over the economy and of participation in its management. This is a characteristic feature of the institutions of workers' power that were created by the mass movement of that period. It is also characteristic that Communists sought to contribute in all possible ways to the development and effective functioning of organs of workers' control.

Workers' councils at factories and plants began to appear already during the bourgeois-democratic revolution of 1918 in Hungary. One of the founders of Hungary's Communist Party, Béla Kun, defined the aim of workers' control over production activities and called on the workers to begin managing enterprises "even before the transfer of all factories, plants and workshops into the hands of the Soviet Republic". As early as January 1919, at a number of enterprises, workers' councils removed the old

managerial structure and created their own factory management. In short, the workers began to take enterprises into their own hands. The proclamation of a Hungarian Soviet Republic provided an enormous impulse to the development of organs of workers' control and management: councils of workers' control with wide powers were established at nationalized enterprises, although their activities were combined with the centralized management of the economy. At the same time, the role of trade unions in organizing production activities also grew. In spite of the fact that subsequently all these institutions and forms of participation of workers in production management did not have an opportunity to develop up to their potential, to gain strength and acquire experience, since the revolution was quickly suppressed, one can definitely state that a transition had already begun from control to participation and, moreover, not only in management but also in a revolutionary transformation of the economy in accordance with new fundamental principles and in the interests of the workers themselves.

Generally, similar developments but with local specifics, also took place in Slovakia, where at the time of the Slovak Soviet Republic production councils were also established; in Poland, where factory committees emerged that worked closely with councils; and in Austria, where in the course of the bourgeois-democratic revolution production councils developed spontaneously which assumed responsibility for managing enterprises. As a result of revolutionary victories, laws were even adopted in Austria defining the status of these new organs of worker representation and participation in management. These were decrees on Production Councils (May 15, 1919), the Competence and Activities of Production Councils (June 11, 1919); and Elections to Production Councils (June 27, 1919).¹⁶ In Austria production councils were given rights of representation in the supervisory councils of corporations.¹⁷ Yet, the newly created organs of worker representation, while they contributed substantially to the interests of workers, did not become effective organs of workers' control over production, and even less so of production management, for capital succeeded in damping the revolutionary wave within that country. Considerable efforts in this direction were also made by right-wing leaders of the Social Democratic movement who were afraid of a "Russian way" of the revolution.

Considerable interest lies in the development of the struggle for workers' control over production activities during the period of

the revolutionary upswing of 1919-21 in Italy. The factory councils that emerged there gained a significant measure of power especially in Turin, where the workers' movement was led by Antonio Gramsci and Palmiro Togliatti, founders of the Italian Communist Party. Owing to their persevering efforts, these councils as well as workshop representatives, were able to influence decisions on the issue of wages, working hours, personnel policies, and the introduction of new equipment; they also controlled in a certain measure the enterprises' financial activities.

Antonio Gramsci attached great importance to workers' control and to the activities of factory councils and associated considerable hopes with them. He wrote in 1921 in connection with discussions in parliament of a draft law proposed by Giovanni Giolitti that "for Communists the formulation of the issue of control signifies the formulation of the most important issue of the present historical period, namely, concerning the power of workers' over the means of production and, accordingly, the acquisition of state power. From such a point of view, the presentation of the draft law and its approval and implementation within the framework of a bourgeois state, are events of secondary importance."¹⁸

Defining the importance of that issue, Gramsci observed that attempts to resolve it on the part of the bourgeoisie are merely attempts to deceive the working class: "In seeking to free itself at least partially from the burden of responsibility and obtain a kind of alibi, the bourgeoisie allows itself to be 'controlled' and pretends that it is permitting the establishment of custody over itself."¹⁹ This is followed by a fundamentally important observation: "Accordingly, the issue of control becomes a kind of battlefield on which the bourgeoisie and the proletariat are contending for the role of a class leader of popular masses at large."²⁰

In short, Gramsci interpreted the problem of workers' control as its being given a specific content, either reformist or revolutionary — depending on the conditions of struggle and the relationship of forces and on who is in control of the situation. And he provided a corresponding formulation of that problem. In our view the fundamental validity of this conclusion still holds today.

Gramsci saw in factory councils the germs of workers' power, which, however, can only develop in the presence of specific conditions. He considered that these organs of workers' representation being created at places of work should combine two functions, namely, political and economic leadership in enterprises, and should become centres of educating the proletariat for seizing pol-

itical and economic power. These thoughts are reflected in the programme of factory commissioners adopted at a meeting of shop commissioners in Turin.²¹ According to Gramsci, the particular significance of the support expressed by Turin workers for the demands for worker control over production in April 1920, consisted precisely in the fact that "for the first time in history the proletariat began to struggle for control over production although it was not forced to this by hunger and unemployment; in addition, not only a minority has been engaged in that struggle, not only the vanguard of the working class, but all Turin workers."²² Perhaps the element of novelty of this event was somewhat exaggerated, for, as has already been noted, similar developments had occurred in revolutionary Russia. This may be explained by the fundamental attitude of a revolutionary towards the sacrifices and battles of workers in his own country. Nevertheless, his basic evaluation is unquestionably correct: the struggle for control over production activities was by no means simply an economic struggle and was becoming part of a political struggle. It also began to wane when a general decline occurred in Italy's revolutionary movement.

The upward tide in Germany's revolutionary movement in 1918-19 provided a powerful impulse to the workers' struggle for participation and control. The revolutionary actions of the proletariat and, above all, the movement for creating workers' councils unavoidably led its participants to conclude that it was necessary to gain key positions in production. This is why at many enterprises workers' councils took control of production activities into their own hands. The most revolutionary part of the movement whose leading representative was the Communist Party (the "followers of Spartacus"), associated demands for participation with demands for nationalization and a struggle to establish councils. With the support and cooperation of opportunistic forces, the bourgeoisie agreed to a kind of collective bargaining between trade unions and the association of entrepreneurs by concluding an "agreement on a business association" (November 1918) that recognized trade unions as representatives of workers at enterprises and established the institution of workers' representation at enterprises and industrial branches (workers' committees, arbitration committees). In fact, however, the recognition of workers' representation on a parity basis was not so much a victory as a reformist and even opportunistic compromise, for the revolutionary situation made it possible to struggle for more far-reaching demands. "The principal reason why the German working class was not able, in the course

of the November Revolution of 1918-19, to resolve the revolution's basic question, namely that of power, in its own favour" was, in the view of the Socialist Unity Party of Germany (the GDR), "the opportunistic policy and ideology of right-wing leaders within the social democratic movement."²³ In their analysis of that period West German Communists conclude that "from the time of the November Revolution two basic lines of approach become evident in the trade unions with regard to participation — that of social partnership and that of class struggle".²⁴ We will recall this extremely interesting conclusion on still other occasions.

During the period of the Weimar Republic, the struggle of workers for their rights in production activities continued but in the context of a general receding of the revolutionary wave and at a time when former leaders in the social democratic movement and in trade unions exerted all possible efforts to hold back the struggle and deflected and sabotaged the strike movement. As a result, it only led to partial reforms. Although factory committees were established at enterprises the government placed limits on their activities. Under the pressure of strikes, in June 1919, the Nuremberg Congress of Trade Unions adopted a resolution concerning the participation of factory committees in the management of enterprises, but reformist leaders succeeded in renouncing political struggle by these committees and in adopting propositions relating to cooperation with owners. As a result the government, too, agreed to a legalization of the committees: in 1920, the Reichstag adopted a special law. Later, on February 15, 1922, a law was adopted concerning the representation of production councils in the supervisory councils of firms (or else large enterprises). This was the first legislative act on participation at that level. The importance of that fact should not be underestimated but it was of a limited scope. The struggle continued but was now centred on the interpretation of laws and their further improvement, lending new content to existing forms of participation and also the further development of these forms. The main point was that the bourgeoisie together with reformists succeeded, by influencing the working class through all kinds of measures, in limiting the scope and even the objectives of that struggle.

The mutual opposition of two approaches to participation is also evident in Great Britain's workers' movement. Largely as a counterweight to pressures from the shop stewards' movement which emerged as an institution designed to oppose the conciliatory policy of trade union leaders and represented, in Lenin's words, "a

deeply proletarian and mass movement",²⁵ powerless works committees and advisory councils were encouraged that failed to play a significant role. The conciliatory policy of right-wing trade union leaders was firmly opposed by the Communist Party of Great Britain which was established in 1920. From the very first, it viewed the struggle for workers' control not only as a means for defending the workers' everyday economic interests but also as a component part of the struggle for fundamental social changes and as a training ground for these changes. In that connection, one should note the following proposition of the programme document drafted by Harry Pollitt who was at that time responsible for the Party's work in trade unions: "The idea must be constantly encouraged amongst the workmen that the factory will one day be theirs to administer in the interests of the community. They must therefore be educated to work for the speedy realization of that objective, and also so that they will be able to run the factory efficiently."²⁶

It should be noted that Lenin's ideas concerning worker control also inspired many rank-and-file participants in the Labour movement. It was at that time that together with the term "industrial democracy" that of "worker control" appeared in the vocabulary of trade unions and in the progressive press. However, as the general revolutionary high tide in Western Europe receded there occurred a weakening in the struggle of workers for rights in the sphere of production management, and in Great Britain one observed a receding stage in the shop stewards' movement (which came to light again during the Second World War).

In France, where under the influence of the October Socialist Revolution in Russia a rising tide in the workers' movement also developed, it was conciliatory elements among socialist forces, and in particular active members of the Committee to Prevent Unemployment rather than the revolutionary political forces who were first to note a new tendency among workers, namely, a desire to participate in the management of industries in order to improve conditions of work and avoid unemployment. They spared no effort for that drive not to take the form of struggle but that of "a closer cooperation between entrepreneurs and workers". But they did not succeed in this respect, at least to the extent that they had sought to achieve. It is significant that the struggle of workers resulted in a legal recognition of trade unions which were granted the right to conclude collective agreements with entrepreneurs on behalf of workers.

The struggle to achieve the recognition of trade unions, which lasted throughout the entire nineteenth century and the beginning of the twentieth, produced its most important results in the period that followed the October Revolution in Russia. Bourgeois governments were forced to legally recognize the right of trade unions to conclude collective agreements. In Germany, this took place in 1918, in Austria and also in France in 1919, in Finland in 1924, in Holland in 1927, in Sweden in 1928, in Portugal in 1933 and in the United States and Greece in 1935. (In Spain, Belgium, Luxembourg, Japan and Switzerland trade unions were legally recognized only after the Second World War.) The legal recognition of trade unions contributed to the growing role of collective agreements as a means employed by workers to influence managerial decisions. But there remained a considerable distance to their transformation from a simple agreement concerning the terms of selling and buying labour power into a means for workers' influence on production management, i.e., to the time when such agreements began to define specific measures of control by workers with regard to investments, the relocation of production, plans for the use of manpower and other managerial decisions.

To sum up, in Russia the contradiction between labour and capital was resolved in a cardinal way; in countries where such a radical resolution of the problem did not succeed, progressive far-reaching demands came to be depreciated to the level of partial reforms within the framework of the existing social system. In general, the conclusion of West German researchers noted earlier concerning the emergence at that time of two approaches to the problem of worker participation in production management, namely, "social partnership" and class struggle, a reformist and revolutionary approach, applies to all these countries.

It should be noted, however, that at that time those two approaches had not yet developed in the form that they possess today. The slogan of reformists according to which participation must be an essential component part of the existing order became evident much later. For the time being, it referred to a path leading to socialism through a democratization of the economy (and this was reflected in the classical work by a theoretician of social democracy, Fritz Naphtali, on questions of industrial democracy entitled, *Economic Democracy. Its Essence, Ways and Objective*),²⁷ even though in actual practice right-wing leaders in the social democratic movement at that time had already done much to hold back revolutionary advances along that path.

The approach associated with the class struggle, and above all, the approach of Communists, is affected by impressions relating to revolutionary events in Russia and also class struggles in other countries. A characteristic of this approach is that it views workers' control and participation as parts of the general question of social reconstruction in the context of far-reaching demands associated with the issue of property and of power. In such a context, the role of worker control as a measure of a democratic character is secondary. It is noteworthy that the Programme of the Communist International contained the following proposition: "When the revolutionary tide is not rising ... the Communist Parties must not ... advance transitional slogans that are applicable only to revolutionary situations (for example workers' control of industry, etc.)."²⁸ The point is that under the conditions that then existed the correlation of political forces and the degree of maturity of the working class did not make it possible to count on genuine democratic changes and on the success of that slogan as a means for mobilizing wide masses for a struggle in support of both everyday and long-term interests of the working class. It is possible that this was a somewhat unjustified limitation on forms of struggle that produced a negative effect in the course of time.

As for capital, it could no longer ignore such a clearly expressed need on the part of workers to influence managerial decisions concerning production and distribution. This does not mean, of course, that it would simply agree with workers and make concessions. Whenever it was possible to oppose workers' demands by means of force, capital always did this and continues to do so. When this is not possible, where workers struggle militantly in defence of their rights and close their ranks capital adapts itself, manoeuvres, and, while making partial concessions, seeks to derive advantages even from the efforts of workers that appear to oppose its own interests.

These tendencies are also characteristic of the period between the revolutionary upsurge following the October Revolution in Russia and the new situation that developed following the decisive defeat of fascism. It should be noted that researchers studying the problem of workers' control and participation often neglect that period presumably because they believe that during that time there were no significant developments in that respect. In our view, this is far from being the case.

In France, in spite of contradictions between the communist and socialist parties, the workers' movement was able to successfully

resist the advance of reaction. It constituted the foundation of the Popular Front, that was established on July 14, 1935. In March 1936, the trade unions that had been divided since 1921, united to form the General Confederation of Labour. In that same year, left-wing forces achieved a victory in parliamentary elections that resulted in the creation of a government of Socialists and Radicals supported by the majority of the Popular Front. As a result, favourable conditions developed for expanding workers' rights in production. The Popular Front succeeded in securing a 40-hour working week and a two-week paid leave. A national fund for the unemployed was created and old-age pensions were introduced. There is special significance in the fact that regulations were adopted relating to collective agreements and to trade union delegates making it possible, at least to a certain degree, to influence production activities and managerial decisions at enterprises.

Capital was forced to agree to concessions because of pressures from the workers' struggle and not because there were some kind of liberal attitudes among the bourgeoisie itself. Noteworthy is the verbal exchange that took place at the time of the signing of a number of agreements between Lambert-Ribot, the head of the French employers' association, and Benoit-Franchon, the General Secretary of the General Confederation of Labour. It is indicative of the principal reason for these developments.

Lambert-Ribot: "Did it ever happen before in France that such large increases in salaries were given?"

Benoit-Franchon: "But has France ever witnessed before a workers' movement of such a scope?"²⁹

An important role was played by the French Communist Party in the development of this movement. According to François Billoux, a prominent leader in the Communist Party of France, it was precisely at that time that from simply an opposition party which it had been in 1920, it was transformed into a party that assumed its share of responsibility for managing the country. It initiated the struggle for basic rights of workers, a campaign that was marked by the achievements noted above.

Later, contradictions in the ranks of the Popular Front, the dual policy of the Socialists, the government of Léon Blum, as well as indecision, at a certain stage, of Communists in respect to participation in government, led to a weakening of the Popular Front. Subsequently, the Communist Party did much to strengthen the Front and initiated the creation of a government that would be capable of guiding the country, and organizing economic, political

and if necessary military countermeasures against fascism. But time was lost. The ruling circles were increasingly inclined towards the course that led to the Munich Agreement. And it is characteristic that workers also began to lose rights they had won: in September 1938 the Daladier government (together with the British government) allowed Hitler to annex Sudeten, while several weeks later it issued a series of extraordinary decrees that in fact abandoned the 40-hour working week and suppressed protest strikes. Before long, the French Communist Party was outlawed and with the invasion of France by German fascist troops, the trade union movement was virtually suppressed. Participation in management was out of the question.

As is known, events developed in a different manner in Italy and Germany. In particular, on the one hand, the most reactionary forces were forced to give consideration to the traditional consciousness of the working class, including its conceptions of interrelations between labour and capital, to the efforts of workers to play a greater role in the management of production. On the other hand, these reactionary forces were capable of turning to their own advantage some of the more viable, popular and lasting slogans and concepts, that had been put forth in the workers' movement, by distorting their essence.

The fascist government moved towards a complete integration of workers into the system being formed and their absolute subordination to the supervisors, administration and the established rules. This referred to complete subordination in return for welfare that would descend from "above", from the National-Socialist government and its representatives. The ideology and politics of the fascist government contradicted all attempts at democratizing the management of production, which were suppressed in every way. This, however, is not the only point.

In Italy, the fascists created their system of trade unions on a corporative basis. In 1930, a National Council of Corporations was established in which, in addition to representatives from the government and the fascist party, there were representatives from the workers and business leaders. In 1934, separate corporations were created whose administrative bodies contained both delegates of business organizations and representatives of branch trade unions on a parity basis. Members of the fascist party were present and set the tone in these bodies.

It is notable that during the period that preceded the complete collapse of fascism in Italy, among the measures of the regime that

were directed towards retaining power was the creation of management councils in 1944. This action was conducted simultaneously with a fascist "socialization" of large enterprises. At the "socialized" enterprises, workers had the same number of votes at administrative councils as did representatives of capital. Management councils of a consultative nature were created at private enterprises.

Something similar was also observed in Germany. Having forbidden political organizations of the working class and having destroyed trade unions, in 1934 the Nazi government published the "Law Concerning the Order of National Labour" according to which questions relating to working hours, wages, the hiring and discharging of workers, were decided exclusively by the employer. But he was declared to be a "leader". (Let us note that a "leader" was not at all the same as an "owner". He was regarded as a leader of persons holding similar views and striving towards a common objective, even though he possessed power over them to achieve this goal.) Subordination to a "leader", according to fascist ideology, is a conscious type of subordination. According to national-socialism this is subordination in the name of national ideals.

Such a "unity" was also emphasized by the fact that the Labour Front — an organization that replaced trade unions — included not only blue- and white-collar workers but business people as well. Since the business "leader" could not always be right, "labour trustees" were appointed to economic districts, whose role was to act as intermediaries and even referees in the event of misunderstandings between workers and entrepreneurs. "Councils of representatives" were also elected at enterprises.

Thus, on the one hand, we find a call for full subordination, while, on the other, we meet demagogic statements almost in the spirit of "social partnership" today and the creation of corresponding bodies of "cooperation". A significant part of the working class was integrated into the system, and the need for management noted earlier was either attenuated taking the form of a passive or conscious subordination to "leaders", or else assumed an extremely distorted form ranging from participation in false trade unions and initiatives that were instrumental in the creation of a militarized economy and of fascism's military potential, to a need to rule other peoples and an aspiration to become supervisors of new slaves.

The best forces of the Italian and German peoples continued the struggle recognizing that the overthrow of fascist political rule

was the main task without which no other democratic tasks could be solved.

Initially, the Communist Party of Germany associated this task with the establishment of a dictatorship of the proletariat and this hampered its relations with other social and political forces. After the 7th Congress of the Comintern, it clearly set as its principal task the creation of a common front of the working class and a popular anti-fascist front of all workers. It is noteworthy that while its highest priority was political struggle the Communist Party under these most complex conditions continued to struggle for establishing bodies of worker representation and attempted to involve them in the struggle against fascism. When in March and April 1934, over 60 per cent of the workers of large enterprises sabotaged elections to the "councils of representatives", the German Communist Party pointed out that these bodies could be used not only to protect workers' interests but also, in a wider sense, against the fascist regime. In the spring of 1935, the workers of many enterprises succeeded in electing to the "councils" their own representatives rather than candidates proposed by fascists.

Already in 1939, the Communist Party of Germany advocated the creation of a democratic republic as a strategic objective which, "in contrast to the Weimar Republic", was intended to deprive fascism of its material base "by means of an expropriation of fascist corporation capital". Then, the Party stated, "the fate of the country would be determined not by the large-scale bourgeoisie ... but the working class, farmers, the middle strata and the intellectuals united in a Popular Front".³⁰ This idea was more fully elaborated and developed following the destruction of fascism.

The position of the Italian Communists was just as definite. In working out a course aimed at establishing progressive democracy and in organizing the armed struggle against fascism, the Communists also sought to transform the management councils that had been established by fascism, into bodies of worker representation, and subsequently into bodies for the transformation of the economy. Such strategy and tactics had a great influence on the developments in the period that followed.

If, however, we return to the question of the position of capital, then it should be noted that in the prewar period a distinct bourgeois concept of participation had not yet formed. It would be more appropriate to speak of manoeuvring, of forced concessions and early efforts to exploit the desire of workers to participate in management.

To sum up, the following should be noted. At a relatively early stage in its development, the active mutual opposition of labour and capital produced in workers a striving to limit the rights of capital in the sphere of production management and to widen their own rights. At various stages of this struggle and depending on the political situation and the correlation of forces, a varying relative stress was placed on the demands for the complete transfer of the means of production into the hands of workers (final objective) and the immediate limitation of the power of capital within the framework of existing economic relations (a transitional slogan). At the beginning of the 20th century, which was marked by sharp struggles between opposing social forces, only one of the many political movements, namely, the communist movement, succeeded in formulating an integrated concept of worker participation in production management, oriented primarily towards a revolutionary transformation of society. A response to this was reformism of a conciliatory and bourgeois type, which, however, did not produce a comprehensive system of views during the prewar period. This occurred after the Second World War when the *contemporary* view of participation emerged.

Contemporary Participation: Its Essence and Forms

The birth of contemporary participation and its specific content and forms are associated with the beginning of a new period in the history of the international workers' movement—a period that opens, as is noted in Soviet historiography, with the final defeat of the fascist bloc in the Second World War.

During this period, the workers' movement evolved against a background of major worldwide historical shifts and was closely interwoven with global socio-political processes, in the context of a new alignment of socio-political forces on the international scene and within individual countries. The fact that the power which decisively destroyed fascism and then Japanese militarism was the Soviet Union, the first country of socialism, profoundly affected public consciousness in the entire world. The path was cleared for a series of victorious people's revolutions. The positions of large-scale capital and its economic and ideological foundation were significantly weakened, especially in Europe. An awareness of the guilt of large-scale capital and of its responsibility for the war and

fascism's vicious deeds, contributed to the uniting of progressive anti-monopolistic forces, whose nucleus in a number of countries was formed in the struggle against fascism. Communist and workers' parties, which had demonstrated their patriotism, self-sacrifice, and readiness to uncompromisingly defend the interest of the people, considerably strengthened their position. During the post-war period the workers' movement gained numerous victories along many lines.

While differing in various countries, the movement for workers' and all employees' rights in the sphere of production management also developed in the wake of the anti-fascist struggle. In countries where fascism had been in power it essentially began with the development of active resistance. In regions liberated by the partisans, workers took control of enterprises. Already in the course of the struggle for liberation, anti-fascist forces, "popular", "national" and "fatherland" fronts advanced programmes for the nationalization of enterprises, especially of those belonging to German monopolies, Nazis and traitors. But the demands for nationalization and social control of the means of production, extended beyond the elimination of the consequences of fascism, just as in the political sphere the demands for democratization were by no means limited to the overthrow of Nazi political rule. Against this background, under the influence of leading social forces, especially Communists, and even spontaneously, the workers' movement directly at enterprises played a substantial progressive role whether through the creation of various types of workers' committees or other bodies of worker representation. Moreover, in a number of countries it even played a transforming role for bringing about radical social changes.

In countries where more favourable conditions appeared for revolutionary change, worker control was introduced in all sectors of the economy at all levels, and bodies for worker participation in management appeared. This, however, is a separate question which will be only partially examined here in connection with long-term prospects for the development of modern forms of participation of workers in production management in capitalist countries. We are concerned with the events that occurred where capitalism prevailed.

Before drawing any general conclusions, let us examine the situation in individual countries where the struggle around the issue of participation was more pronounced and where its specific forms developed.

In Germany, following the final collapse of Nazism practically all programmatic statements reflecting the positions of the most diverse social and political forces, included demands for the socialization of industry and the participation of workers in production management. At the same time, the concepts of "socialization" and "participation" were by no means everywhere identical in content and the objectives of the programmatic declarations also differed in a cardinal way. Most important, however, was that the movement for participation did develop in life, and, furthermore, during its first steps it did so almost spontaneously, which immediately made the struggle for the genuine participation more intense.

Under the initiative of anti-fascist forces, production councils carrying out the function of worker control (to a varying degree under varying conditions) began to emerge as early as 1945. In order to make their activities legal, on April 10, 1946, the Allied Control Council issued special order No. 11 permitting the formation and functioning of production councils on the entire territory of Germany and in all occupation zones, defining their rights and obligating them to cooperate with the authorities in the demilitarization and denazification of industry.

An active position on questions relating to participation was gradually assumed by trade unions. Their first conference, which was held in the British occupation zone in March 1946, promoted demands of employee parity participation at all levels of economic decision-making. In December 1946, at the proposal of the trade union delegates of the Soviet occupation zone of Germany, a second interzonal trade union conference, convening in Hannover, adopted the resolution entitled "Concerning the rights of participation of trade unions and production councils in the management of the economy".

In the eastern section of Germany these rights were becoming a reality. The situation was much more complicated in the western section. However, worker collectives and trade union organizations of the metallurgical and mining industries as well as enterprises of several West German regions, particularly Bremen and Hessen, made definite headway: on their insistence, two representatives of trade unions were included in supervisory councils of firms and one worker director, appointed by trade unions, was represented on the board.

Representatives of large-scale capital held at the time a very active position on participation. One can gain the impression (and sometimes this is deliberately encouraged), that it was indeed big

business which initiated participation. Statements to this effect are not completely unfounded. Already by the end of 1945, Heinrich Dinkelbach, a member of the board of directors of the Vereinigte Stahlwerke concern, proposed parity participation of workers in the supervisory council and worker representation on the board. Such measures also proved necessary for a number of other concerns. In 1946, proposals to this effect were referred to the trade unions. The Christian-Democratic Union unambiguously described workers' demands for participation as "quite natural and justified".³¹ The introduction to this programme declaration stated that "the capitalist economic system has shown that it does not correspond to vital state and social interests of the German people. After a terrible political, economic and social catastrophe only the creation of a radically new structure is possible."

"The content and objective of this new social and economic structure can no longer be the capitalist striving for profits and power but can only be the welfare of our people. The building of an economy that would be beneficial to society should provide an economic and social order for the German people, corresponding to the rights and virtues of man, serving the spiritual and material resurrection of our people and providing for domestic and external peace."³²

The principles of this programme of the CDU worked out in March 1946 were presented at that time under such headings as: "The objective of the economy is to satisfy the needs of the people", "Building new relations between employers and employees at enterprises", "Planning and managing the economy".

What then is it that underlies all this?

First of all, capital's efforts to adapt to the new conditions. Furthermore, the owners of concerns whose reputations were thoroughly undermined hoped to preserve their positions in industry by means of worker representation and to delay the destruction of the military and economic potential of monopolies as specified in the Potsdam agreements.

At the same time, the position of workers and their trade unions differed fundamentally from that of big business. The former advocated the nationalization of key branches of industry, and viewed participation as an associated measure conducive to this, while the latter, in a bid to prevent nationalization, opposed it to participation.

The position of Social Democrats and its subsequent transformation is characteristic in what followed. Kurt Schumacher, the

first chairman of the Social Democratic Party of Germany (SDPG) after the war, exerted a strong influence on the views of the Social Democrats during the first postwar period. He viewed economic problems through the prism of socialization and the formation of a political democracy that would be capable of opposing large monopolies. His "Theses on the Draft Economic Programme" advocated the need for the conversion of large-scale private property in the means of production into state property, in order to "impart socialist traits to the state economic structure". In this connection, the idea of "economic democracy" was presented as a "possible and necessary state of modern economic organization, which could and should be attained by two means: an expansion of the function of state control over the economy and a democratization of economic management at representative bodies of self-management". Yet, in the document entitled "Political Guidelines", adopted at a congress of the SDPG in Hannover, the demands of the workers and their trade unions relating to the immediate expansion of blue- and white-collar workers' rights in the management of enterprises were not reflected in any constructive proposals. This was because participation was viewed as a secondary problem compared to socialization and no special significance was attached to it. However, it was not long before the slogan of economic democracy was advanced to the forefront while socialization placed in the background. It would seem that the ideas of Fritz Naphtali expressed in his book, *Economic Democracy. Its Essence, Ways and Objective*, were again emerging. However, now the Social Democrats were no longer linking participation to a future socialist society. For them, it became "a necessary component part of the existing system".³³ In addition, it was no longer participation in higher level activities that was primarily advocated, nor measures at the state level, but precisely participation at enterprises that became part of the concept of "social partnership".

That position was reflected in the SDPG's Programme of Action adopted at its congress in Dortmund in September 1952 and revised at the subsequent congress in July 1954. It is noteworthy that the section concerning democracy in the economy remained unchanged. However, a discussion evolved within the ranks of the Social Democrats between their right wing represented by Heinrich Deist, who advocated a division of the power at enterprises and who considered participation to be a political problem since the power of the working class should be demonstrated not only at the parliamentary level "but everywhere where economic power

operates",³⁴ and the left wing represented, in particular, by Peter von Oertzen, who considered that Social Democrats "have lost sight of the final objective ... socialism",³⁵ and advocated the expansion of the socialization of production and the creation of a comprehensive system of participation. Oertzen's proposal constituted the most developed basis for the programme of participation promoted by the left-wing trend in the SDPG. He considered that representatives of workers, consumers and of the state should jointly participate in economic self-management. Much of this programme was supported by "Young Socialists", even though subsequently Oertzen himself departed from it to a significant extent and adopted the position of the more moderate left.

Neither socialization nor participation figured importantly in the SDPG's programme at the congress in Bad Godesberg (1959), even though it was noted that "participation in bodies of economic self-management should be guaranteed to workers".³⁶ A demand was formulated to introduce parity participation at all large enterprises; participation on an economy-wide level, however, was not considered in concrete terms.

Thus, once more the relationship between nationalization and participation and between socialist perspective and participation proved to be very close. Much can be judged from the nature of this relationship. This mutual relationship played an extremely significant role in the concepts subsequently developed by various socio-political trends as well and served as a kind of indicator of the nature of these trends, making it possible to above all distinguish the reformist from the revolutionary tendencies.

In turning once more to the period of the formation of participation in West Germany, the following very important elements should be noted.

The programme of the basic principles of the Federation of West German Trade Unions adopted in Munich in 1949, contained, as one of the principal demands of the trade union movement, employees' participation in all decisions relating to personnel, economic and social issues of economic management and development. Trade unions of the mining and metallurgical industries initiated a particularly intensive struggle linked with this demand. They insisted that parity employee representation on supervisory councils be legalized and that a position of worker director be established. Of particular importance was the fact that this demand was supported by the workers' readiness to strike: according to surveys, 96 per cent of the steel workers and 93 per cent of the miners ex-

pressed the determination to strike if they were refused the right to participate. In these conditions, on May 21, 1951 the Bundestag adopted a "law governing the participation of workers in supervisory councils and the administration of enterprises of the mining and metallurgical industries".³⁷

The appearance of this law seems illogical if one considers that it was adopted at a time when the Federal Republic of Germany was created by the Western powers in violation of the Potsdam agreements. An economic and political restabilization of the power of big capital occurred with the active support of the United States and the Cold War began to increasingly affect not only the international but the domestic situation including public opinion. A whipped up anti-communist and anti-Soviet hysteria led to the weakening of the class struggle. In short, the entire atmosphere was in contradiction to the trends reflected in this law.

Bourgeois historians seek to create the impression that participation in the management of the mining and metallurgical industries was introduced at the initiative of the Christian-Democratic Union and the Christian-Social Union during Chancellor Adenauer's administration. Why did the right wing become so generous with workers' rights and what is the secret which bourgeois historians pass over in silence? It all becomes clear if one considers that at metallurgical and steel processing enterprises of the British occupation zone, i.e., almost in the entire metallurgical and steel processing industry of the future Federal Republic of Germany, parity participation in management had existed since 1947. It was introduced as a result of an agreement between the occupation authorities, trade unions and entrepreneurs. When, after the formation of the Federal Republic of Germany, the issue arose of legalizing participation that already existed, the CDU/CSU fraction in the Bundestag and the Federal Government headed by these parties, submitted a bill (in 1950) according to which only one-third of the places at supervisory councils were set aside for workers in all sectors of the economy. The adoption of these bills would have meant the elimination of already existing parity participation in management. Only strong resistance by the workers and the threat of a wide-scale strike led the CDU/CSU to renounce their plan and to act in favour of adopting the 1951 law on participation in management in the mining and metallurgical industries. In short, it was a "protective" law.

To this day the law of 1951 remains the most significant victory of the workers of capitalist countries in the sphere of participation

in management. The subsequent struggle on this issue in West Germany boiled down to the workers' attempts to extend the power of that law to other enterprises, while capital sought to limit its operation and in effect to nullify it. Beginning with the mid-1950s, the very existence of participation in management in the mining and metallurgical industries was repeatedly threatened. Initially, this was the result of the mergers of corporations in West Germany during which many metallurgical enterprises found themselves to be dependent on companies not subject to the law, while a number of others were shut down also as a result of mergers. Subsequently, as a result of crises in the mining industry, in ferrous metallurgy and in steel production, a number of enterprises were shut down and a structural reconstruction of companies and concerns took place. In particular, most mines merged into the Ruhrkohle stockholding corporation. By 1980, of 105 companies with parity participation only 34 remained employing approximately 500 thousand.

The issue of parity participation in management emerged once again in 1980 in connection with the structural reconstruction of the Mannesmann concern already mentioned.

The question arises: what is the real significance of the 1951 law and why is it that participation in West Germany has not made the least bit meaningful headway since it was adopted?

According to the law (§ 1), a so-called parity worker representation on supervisory councils was introduced at all enterprises employing more than a thousand persons. In fact, there has never been any parity since in addition to five workers' representatives and five stockholders in stockholding corporations with nominal capital of less than 20 million marks (and correspondingly 7 and 7—in corporations with a capital of from 20 to 50 million marks, and 10 and 10—in corporations with a capital of more than 50 million marks), another "neutral member" was admitted to the supervisory council. As a rule, the "neutral member" (land minister or a university professor) is closer in his social position to stockholders. Thus when decisions are adopted on controversial issues he usually has the deciding vote.

It is also significant that worker representatives include not only those persons who are chosen by the production councils of enterprises of the given stockholding corporation, firm, or a large enterprise, but also representatives appointed both by sectoral and federated trade unions. (When the number of workers' representatives is equal to five, the production councils appoint two rep-

resentatives—one white- and one blue-collar worker while three places are given to trade unions.)

The supervisory council has relatively extensive rights and authority being responsible for almost all of the main issues. However, it still fulfils only control and not executive functions. Employers have recourse to various devices to hold back or distort information, avoid discussions of urgent issues and ultimately to push through their own decision. The fact that worker representatives are not accountable to the workers or trade unions and that they are even required to keep all deliberations of its meetings secret, is another negative feature.

According to the 1951 law the board of directors of the stockholding corporations must also include a "worker director". His rights are relatively vague and are limited to decisions on questions pertaining to hiring and dismissals, and vocational training. He is under great pressure from his powerful "partners" in management. One is under the impression that the workers do not attach much significance to this kind of representation in contrast to representation in production and supervisory councils.

Nevertheless, when all is said, trade unions and all progressive forces in the workers' movement, including Communists, view the law of 1951 as a significant victory, above all because it makes it possible to obtain information concerning the intentions of employers more quickly and to react to them already in the supervisory council. But most important, even though this contradicts the law, it is possible if necessary to organize trade union actions, even mass actions of a preventive nature when anticipating a decision infringing on their interests.

Big Business' offensive against the rights of workers in the sphere of production management began almost immediately after the adoption of the 1951 law. Already on October 11, 1952, another law, on the Status of the Enterprise, was adopted that differs fundamentally in spirit from the previous one. If one were to describe its essence briefly, it limits the rights of supervisory councils at enterprises, hampers their ties with trade unions, significantly lowers representation of workers at supervisory councils (to one-third), and imposes obligations of various types on worker representatives, such as, for example, a "vow of silence", resulting in severe sanctions in the event of its violation.

In 1956, under the pressure of large-scale capital, the Bundestag adopted an additional law according to which in the event of the merging of holding companies the enterprises of the mining and

metallurgical industries lost the rights granted under the 1951 law if they accounted for less than 50 per cent of the overall output. Thus, the sphere of action of the law was gradually narrowed. By 1969, only 59 enterprises were subject to the law of 1951 (as was already noted there were 105 such enterprises in the year it was adopted).

A period set in when there was no need to think of extending participation and it was necessary instead to defend the rights that had already been won. To a large degree, workers were losing interest in participation in supervisory councils.

During the postwar period, participation in its various forms also appeared in a number of other West European countries.

In France, during the period between 1945 and 1947, with the active participation of Communists who at that time were represented in the government, social legislation was developed whose foundations were laid in the prewar years by the Popular Front. In particular, on April 16, 1946, a special law was passed concerning delegates of enterprises describing their functions, election, security guarantees, and in addition, legalizing factory committees that had appeared in August 1944 on the crest of the Resistance movement (ordinance of February 22, 1945 and the law of May 16, 1946).

Without going into details of the functioning of these bodies, let us note that here the basic issue of confrontation between labour and capital concerned committees' rights. Employers sought to limit the scope of their activities to the social sphere and to reduce participation to information on decisions adopted by the administration. (The ordinance of 1945 reflecting this position, induced the committees to take a step back from what they had already attained in practice.) As a result of workers' struggle and the active participation of Communists in the government (Ambroise Croizat, Minister of Labour, who played the principal role in the elaboration of the law of May 16, 1946), factory committees were transformed into consultative bodies with definite control functions that were also related to activities of the enterprise itself.

For the employer, the obligation to consult with the committee did not mean that he had to consider the opinion of the workers. However, of fundamental importance here as well was the fact that the employer was obliged to consult the committee *before* making a decision. As a result, workers and their trade unions could prepare countermeasures and take preventive action in time, including strike action.

In April 1946, Croizat formed the National Labour Council on which both employers and workers were represented. The council was consulted regarding all draft laws and decrees relating to labour problems. In this way the representatives of labour were directly involved in the development of labour legislation and decisions on related issues.

A law was adopted in 1950 regulating collective-agreement relations. It would be correct to view it as a step forward towards the development of participation and the extension of workers' rights in decisions relating to production. The mechanism for relations between employers and trade unions according to this law is as follows: a sectoral parity commission is created from representatives of both sides; it formulates the text of the agreement, which, incidentally, encompasses not only wages, but many other issues as well, and it is this commission that monitors the carrying out of the agreement.

It is extremely important that the struggle for workers' rights in management at that time developed against a background of "the battle for production". In order to overcome the country's devastation, create an independent economy and improve the people's standard of living, it was necessary to develop national production and above all its energy base. The 10th Congress of the French Communist Party held from 26 to 30 June 1945, called on the workers to solve this problem. It proclaimed the slogan: "Our battle for the reconstruction of the country is inseparable from our struggle for the Republic and democracy."

The programme of the National Resistance Council included the nationalization of major sectors of the economy. The class struggle was developing in this sphere as well. The struggle was in defence of workers' interests. Communists called for workers to receive an increasing share of the national income. The advance of democratic forces also proceeded in other important directions.

In this way, overall national problems merged with class objectives. The actions of democratic forces at the governmental level merged in content (they were of a national as well as class character) with the efforts of workers in factory committees. Such a combination determined the progressive character and led to a visible increase in the effectiveness of the activities of factory committees.

It was Communists who during their participation in the government made the most important progress in extending workers' rights in the sphere of production management. And it was their

removal from national office that led to the adopted laws being increasingly ignored by employers who found countless ways to curtail the rights won by workers. Increasingly, the factory committees began to function only formally. At many enterprises they became altogether inactive or were not even formed.

This retreat occurred simultaneously with the annulment of many other democratic measures that the workers had won. The reasons for this, especially those of an international character, are generally the same as those that we have already noted with regard to West Germany. Still, France had become different from what it had been before. The workers' gains won in the postwar period, particularly those in the field of workers' influence on production decisions, became the pivotal point on which future struggles were based.

From 1945 to 1948 a large number of organizations were created in Belgium which, according to their initiators, were intended to lay the foundation for "economic democracy". In the view of Pierre Joix, in actual fact they were created to influence the results of negotiations on the so-called draft agreement on social solidarity that had been discussed by representatives of the workers' movement during the war years under the German occupation. Pierre Joix notes that during those years in Belgium the resistance to Nazism was quite strong. At that time, at the initiative of Communists and with the support of Socialist and Christian trade union leaders, underground committees of trade union struggle were set up at many enterprises and participated actively in the Resistance movement. A number of reformist trade union leaders preferred not to participate in this movement and conducted secret meetings with the leaders of large business organizations in order to jointly work out plans for the postwar period. This is also admitted by one of the conservative Belgian newspapers that explains that these persons "were taking precautions against an appearance of an anarchist or communist thrust immediately after the war". To avoid a strong movement to the left that could have shaken the existing social structures, they decided to set up at the end of the war an entire pyramid of parity organizations that would unite representatives of employers and of workers' trade unions at all levels, or, as it is often called, a pyramidal system of harmony.

However, it would be incorrect to view this merely as a "shrewd move" on the part of the employers and reformists. Participation was an outcome of struggle that was won by workers. Factory councils as well as councils on labour protection and hygiene were cre-

ated at enterprises. National and regional parity commissions were set up in each industrial sector. At the national level, a Central Economic Council was established as well as a National Labour Council, and others at which trade unions were represented on an equal basis with employers. Central bodies that exist to this day serve in the main as consultative bodies. Parity commissions (sectoral, national and regional) play quite an important role in the conclusion of collective agreements on wages, working conditions, etc. Works councils have very limited functions: they receive information, but have authority only in the administration of public institutions. In effect, the entire pyramid of institutions fulfils primarily a consultative function, while the decisions that are adopted in these bodies do not apply to basic economic and financial problems and do not at all touch upon the most important prerogatives of employers.

Production councils with extensive authority in the management of enterprises also appeared in 1945-1947 in Austria. Laws adopted in 1919 served as the legal basis of their activities. The country's Provisional Government adopted a law on May 10, 1945, concerning the establishment at enterprises of institutions of public management. This law also gave a new legal power to production councils.

But most important during the first period of activity of these bodies, were the efforts of workers to assume the initiative in restoring the economy, eliminating the consequences of the fascist rule and establishing production relations on a new basis.

Emerging from underground the Communist Party of Austria adopted a programme of radical socio-economic transformations and for the reconstruction of the national economy. Its principal demands were the nationalization of large-scale industry and providing workers and their trade unions with the right to participate in production management.

The efforts of production councils during that period, especially at enterprises which remained without owners, were in fact directed at the management of production activities. Moreover, as a number of writers note, it represented a specific form of confiscation of capitalist property, a confiscation that was conducted from below through de facto initiatives. At that time, the workers proved their ability to master the science and art of managing modern production: they concerned themselves with supplies, production, marketing and ran their affairs economically. This played an important role in the development of nationalization.

It should be noted that the picture in Austria was similar to that of West Germany. Workers' movement, trade unions and democratic forces struggled for the adoption of a law on production councils. Representatives of capital obstructed their efforts while the Socialist Party which verbally advocated extensive rights to production councils in practice was indecisive and inclined to compromise. As a result, the law was adopted only on March 28, 1947, at a time when the democratic mass movement was already in decline. For this reason, although this law extended production councils' rights as compared to those provided by the law of 1919, it also narrowed them compared to the actual rights that the councils enjoyed during the first postwar period and which were produced through de facto initiatives from below in the struggle for the elimination of the consequences of fascism.

In general, the Communist Party of Austria evaluated this law positively, but it stressed the obvious inadequacy of workers' rights in resolving economic problems.³⁸

Communists not only called for a struggle for the more complete realization of the rights that had already been won but also for their extension. When in November 1947 Communists were compelled to leave the government, the offensive of big business against workers' rights was launched with new force.

In Denmark, after the liberation of the country from fascism, the trade union movement, together with Communists, worked out plans for the creation of production councils at enterprises. Denmark's Social Democrats endorsed this idea. Jens Otto Krag, who later became the Prime Minister, observed that the decisions adopted in the offices of bank directors were more effective than those of the government. However, neither he nor the Social Democratic Party drew from this the necessary conclusions. On the contrary, they used the new situation which developed during the Cold War and the weakening of the positions of the Communist Party of Denmark to shelve promises made in 1945.

The struggle for influence in management in Italy, Great Britain and a number of other countries developed somewhat differently.

In Italy, the movement for the democratization of all public life, including the economic, was extremely widespread in the final years of the war and the first years that followed (1943 to 1947). Management councils at enterprises, created under fascism, were transformed through broad socio-political changes into something quite opposite of what their founders had intended. In some cases, these

councils became management bodies and in others, instruments of worker control. They played a significant role in eliminating the consequences of fascism. However, the U.S.-British occupation administration did not permit the creation of a legal basis for these councils. At first they operated on a de facto basis, especially at enterprises, whose owners were either fascists or their collaborators who fled the country avoiding retribution and then on a basis of specific agreements. For this reason, with the strengthening of the position of big business, it was able first to neutralize, and then, in 1952, to in effect eliminate worker representation bodies. In fact, since that time the Italian workers' movement and trade unions have been fighting not for institutionalized forms of participation in management (for a long time they denied them completely as a form of "social partnership"), but for the expansion of workers' rights in collective agreements, through a confrontation with the employers.

In Great Britain during the war so-called united production committees were formed at enterprises in which representatives of workers and employers sat around the same table. The initiative and the ability of workers to compromise, often helped avoid collisions with the administration and to move towards the objective of increasing the industrial production that was required for a victory over fascism. In this connection, Bert Ramelson noted at the symposium in Leverkusen that as a result, the fact that employers received bigger profits receded into the background in relation to the principal objective of a national as well as of a class nature. A real community of interests existed during that historical period in the production sphere. In spite of growing exploitation, the workers called for an increase in the output of production and a greater productivity of labour—everyone wanted a victory over fascism. After the war, for several years the united production committees still continued to function, but were used, as Bert Ramelson notes, exclusively in the interests of employers. Much had to be done to have these committees disbanded, and to show that the basis for the cooperation of labour and capital had disappeared.

Perhaps it was precisely because of the contradictory nature of this experience that in the trade unions of Great Britain of that time, there was no unanimity concerning the significance of participation of hired workers in the management of enterprises. The programme of nationalization that was widely publicized by the Labourites and carried out in 1945-1951, though it envisioned the participation of workers in the management of production, did

not at all improve matters with regard to participation. The insignificant participation of trade union officials who were basically of a right-wing orientation did not bring about any noticeable benefits to workers, while the "joint consultative" bodies that had been created were engaged only with secondary everyday problems and lacked the right to influence in decisions relating to those problems that most concerned workers. Trade unions lost their interest in the idea of participating in the management of state-owned enterprises. As for private enterprises the idea of widening workers' rights through struggle with employers, primarily in concluding (re-examining) collective agreements, began to supersede the institutionalized forms of participation. This position was dominant for a long time. It was supported by the Communist Party of Great Britain which later formulated the conception of institutionalized participation only for nationalized enterprises.

Thus, the basic traits, models and forms of modern participation were formed in the process of the struggle between labour and capital and in the interaction of various socio-political forces and trends.

At this first stage at least three basic models of participation can be discerned corresponding to three directions of the working class's struggle in this sphere:

—*the participation of workers in management bodies of capitalist enterprises*, in supervisory councils of firms and administrative bodies; participation in the discussion, formulation and taking decisions on virtually all basic issues of production; the effectiveness of this form of participation declines sharply, and is often even reduced to naught, through insufficient representation of workers in these bodies and because representatives of the employers possess the deciding votes and have the last word;

—*the participation in various types of bodies of worker representation*, production councils, committees at enterprises; the competence of these bodies, as a rule, is limited by the working conditions, social problems at enterprises, etc; they cannot have an immediate influence on decisions of such major issues touching directly upon the vital interests of workers, as the investment of capital, the closing and relocation of enterprises, the use of the workforce and other issues on which both employment and the standard of living of workers depends; workers are reduced to obtaining information concerning decisions of the administration and expressing their views;

—*participation, based on a collective agreement*, in which specific rights of trade unions are established in managerial decisions; at this initial stage collective agreements still differ little from ordinary agreements relating to terms on which labour power is sold and purchased, while the range of issues included in them is quite limited.

Nevertheless, these were not final results and the struggle continued in all directions for parity representation in management bodies; for the widening of rights and the spheres of operation of worker representation; and for extending the range of issues that are included in collective agreements and rights of trade unions relating to production management.

These are only the central issues of the struggle. But it gradually touches upon an increasingly wide range of issues such as the right of workers to more information (a demand for "open accounting books" or "glass pockets"); the right to take actions against decisions with which workers do not agree; accountability of worker representatives in participation bodies to the worker collective and trade union; the cancellation of the "pledge of silence", i.e., an obligation not to reveal production secrets discussed at management bodies. Communists and other progressive forces have begun to demand broader workers' representation and an extension of their rights at all levels and to link participation with deeper social changes.

If one tries to describe participation on a wider plane, then in the very initial period, i.e., immediately after the war, it had the imprint of class struggles, and of a rising tide in the workers' movement reminding one of the revolutionary events in Russia in 1917. The struggle for participation reflects the efforts of the working masses to achieve substantial changes. Even Social Democrats at that time, as we have seen, associated it with transformations having a socialist perspective. However, in countries where capital retains dominant positions, from the very beginning participation contains traits of compromise, not necessarily "social partnership", but precisely a compromise between opposing forces each of which has to consider the power and resistance of the other side. In this way, as a result of the general socio-political situation a kind of contemporary participation began to develop that differed from worker control and participation in management in post-October Russia, and in countries in which, following the example of the Russian proletariat, workers led revolutionary struggles and achieved temporary successes, namely, in countries of Central and

South-East Europe during the period of their revolutionary transformation. The character of participation is no longer determined by the growth of revolutionary struggle and is not associated with long-term objectives of advancing revolutionary forces or radical transformations in the economy. Participation does indeed become an element of existing economic relations and an expression of compromise, but in addition a stage for the continued resistance of opposing sides.

In this connection, the question does indeed arise to which Communists and other progressive forces did not immediately or easily find an answer: does this new phenomenon, new participation contribute to the consolidation of the position of capital, to the stability of the existing system, or can it be used for the defence and a more complete realization of the interests of workers now, and most important, can it be used as a basis for a further struggle against capital? The situation itself and the possibilities linked with it were not immediately clarified and the position of Communists with regard to participation in its new form was not determined sufficiently clearly in many countries in the first years after the war. Where these positions and views were reduced to the consideration of participation as compromise and did not contain a clear constructive alternative and where Communists had no reasonably elaborated independent programmes in respect to management, other political forces assumed the initiative in this important sphere.

The answer to questions confronting Communists could be only provided by a struggle of opposing sides that developed with varying success.

During the 1950s and early 1960s, a relative stabilization of capitalism and the abatement of workers' political and social struggles created conditions for the offensive of capital on the rights of workers, that also included the sphere of production management. Typical of that period was the combination of efforts to deprive workers of the rights they had already won and at the same time to replace real participation by various substitutes. Yet, crisis manifestations — which were at first not so threatening (mid-1960s), and then became unexpectedly strong (1974-1975), and a prolonged depression led capitalists to once again turn to participation as a means of rescue, needed first to shift the burden of the crisis upon the workers, second, to increase labour productivity and to create conditions for overcoming crisis phenomena and third, to cushion socio-political conflicts.

In considering the current situation one should not, of course, forget the basic, permanently operating factors associated with what we describe as "the crisis of hired labour" that prompts capital towards a "division of power". Situational elements merely influence the contradictory tendencies noted earlier, and change the alignment of forces for one or the other. The same can be said about the motives behind the behaviour of workers: permanently operating factors that cause them to intervene in the system of management are supplemented by situational ones, in this case a striving to be closer to the levers of management at a time of the worsening of the economic situation, when any decision concerning production — investments, relocation or the closing of enterprises and the use of new technologies — can result in a loss of job and personal suffering.

However, it would be incorrect to make these conclusions absolute, and to apply them, for example, to the crisis situation of the 1980s. It differs perceptibly, as we shall attempt to show, from the crisis in the 1960s and 1970s. Moreover, the conflict between labour and capital takes place in a different way, in particular in the sphere of production management.

By the end of the 1970s, integrated systems of participation of workers in the management of capitalist production were formed in countries of Western Europe in the context of conflicts between labour and capital. In addition, a number of new projects were initiated that were not immediately applied but were widely discussed and exerted a significant impact on public opinion and on the struggle for workers' rights in the field of management. By this time, participation in its present form was sufficiently developed and it could already be considered as an integral phenomenon.

Let us first examine the course of the struggle and its results in West Germany, where from the very beginning the system of participation developed on the basis of institutionalized forms.

After a certain decline in this struggle and a concentration of forces on the defence of the rights already won, the adoption of the "Programme of the Basic Principles" in 1963 at the 7th (Düsseldorf) Congress of the Federation of German Trade Unions, represented an important offensive on the part of trade unions. This document defined the right of workers to participate in management as a component part of democratic and social legal rights (§6) and made parity participation one of the trade unions' primary demands.³⁹ In spite of the fact that the programme was far from consistent and concrete with regard to the struggle for workers' rights

and reflected contradictions within trade unions on participation issues as well, it did, nevertheless, play an important role in the further development of corresponding demands.

This was made even more important by the fact that by that time large-scale capital, aware of its strength, began an assault on the rights of workers and characterized the trade union demands concerning participation in management as an "extreme danger threatening the existence of the free economic and social system". In late 1964, a Business Association on Participation (*Arbeitskreis Mitbestimmung*) was created which included many prominent leaders of monopolies under the chairmanship of G.-M. Schleier, well-known for his right-wing views. The programme document of the association entitled "Economic Participation and Free Society", described the model of participation adopted in the mining and metallurgical industries, that had become a kind of guideline in the struggle for the further extension of workers' rights in the sphere of production management, as "an alien phenomenon in the social market economy". It defined its task as not only to impede the spread of this system to other enterprises, but to eliminate it.

These two documents, namely, the trade union "Programme of the Basic Principles" and the programme of employers entitled "Economic Participation and Free Society", defined from opposite sides, as it were, the axis of the entire subsequent struggle of workers and employers around participation in management. Apparently, it was precisely from this moment that it became especially evident that the sphere of management and worker rights in decision-making was a special platform for the conflict between labour and capital in class struggle, that had become very important.

Without examining all the upheavals in the class struggle, or all the new trade union initiatives and the intermediate character of governmental rulings that have appeared in publications and which we have already noted, let us consider still another important stage in the class struggle.

On March 18, 1976 as a result of a prolonged struggle the Bundestag adopted the Law Concerning the Participation of Hired Workers.⁴⁰ It is noteworthy that both trade unions and employers regarded it negatively. The trade union leaders announced that its content does not correspond to its title, for, strictly speaking, it is not a law pertaining to participation. The employers declared this law to be "unconstitutional" and instituted proceedings in the

Federal Constitutional Court. They maintained that the law violated the rights of private property, tariff autonomy, the guaranteed freedom to form coalitions, etc. It is clear from this comparison of evaluations that the law was of a compromise nature and did not satisfy either side. It is also obvious that the new law by no means represented a step forward in comparison with the law of 1951, but on the contrary, while somewhat extending participation, it narrowed the possibilities for workers to effectively influence production decisions.

That law, reflecting the concept of a democratic participation model worked out by the SDPG and FDP, was approved by the Bundestag by an overwhelming majority of votes (391 against 22 with several abstentions). The law was made applicable to all enterprises possessing the rights of juridical persons, with the number of workers over 2 thousand except for enterprises in the mining and metallurgical industries. It provided for the formation of supervisory councils with an equal number of representatives from capital and labour. The number of members in the supervisory councils (12, 16 or 20) depended on the number of workers employed in corresponding firms.

What are the defects of this law?

First, it provides that there should be at least one high-ranking employee representing workers at the supervisory councils, i.e. a person on the workers' bench representing them who is, as a rule, closer to the stockholders in his origin, education and especially in his function. Second, workers, staff and executives elect their representatives to the supervisory councils separately, thus, a unified representation of employees under the supervision of trade unions is made considerably more difficult. Third, representatives of stockholders elect the chairman of the supervisory council themselves if he does not get two-thirds of the votes of all council members. This is very important, since the chairman of the supervisory council possesses special powers: in the event that voting in the council on any question results in a "stalemate", the chairman conducts a new round of voting at which he has two votes (§29, para. 2; § 31, para. 3).⁴¹ In this way as well, the advantage is given to capital.

After the adoption of the law, the struggle around the issue of participation did not at all subside but actually became even more intense. The employers initiated a series of measures which under the guise of a rationalization of production, changed the structure of enterprises and removed them from the jurisdiction of the exist-

ing laws (1951 or 1976). The workers replied to these actions with strikes. It is characteristic that at enterprises of the mining and metallurgical industries, where the law on participation had operated the longest (over three decades), the workers displayed a greater readiness to fight for their rights. As a result of sharp class conflicts in 1980 and the carrying over of the conflict into the political sphere, in 1981 the question arose concerning the adoption of a new law on participation. It was adopted in May 1981 and its essence lies in its specific guarantees for a temporary retention of parity participation at enterprises which now do not fall under the jurisdiction of existing laws on parity participation because of structural reorganization. The compromise nature of the law, which satisfies neither capital nor labour, explains why the struggle continues to this day.

How do West German Communists view the struggle around participation? By the mid-1960s they began to take an increasingly active position on this question. In 1969, a legal German Communist Party (GCP) was created. Already in its proclamation of April 1969, the party declared that "the anti-worker policy has to be counteracted by means of a struggle for the right to participate in the management of enterprises, the economy and society as a whole". In a comprehensive and logically consistent manner, and what is especially important, in terms of a constructive approach the GCP presented in 1969 its position in a document entitled "Proposals of the GCP Concerning Participation",⁴² and then in 1972—in "Proposals of the GCP Concerning Democratic Participation".⁴³ The party made it clear that the very essence of participation would be determined by the active character and successes of the working class in the struggle for their rights: "Real participation in management can be attained in the Federal Republic of Germany only if the working class turns out to be stronger than capital in its struggle for its political and social interests. There will always be as much participation in management as will have been won by the working class."⁴⁴

This position is presented in a consistent manner in these documents and in decisions of the party congresses and in a number of works by Communist writers. It is most fully reflected in the Programme of the German Communist Party adopted by its Mannheim Congress held on October 20-22, 1978 (we shall discuss the current position of the GCP in more detail in the next chapter).

The system of participation that developed in West Germany in the course of the class struggle may be described as the foremost

attention of both trade unions and employers of practically all European countries, as well as the supranational bodies of the EEC. It was discussed, criticized, and, moreover, new versions were developed on its basis by representatives of the most diverse political trends. It also became a central item of discussion for Communists.

What is its essence, if one disregards the various modifications that appeared in various economic sectors at various times? Some of its characteristic features include the following:

- joint participation of representatives of capital and labour in supervisory councils (*Aufsichtsrat*) of firms;
- the presence of a "worker director" in the firm's board of directors (substantially less important but still a characteristic feature);
- production councils at enterprises possessing comparatively few rights, but nevertheless active and consisting of workers.

At the same time, a system of collective agreements functions in the country, that beginning with the 1970s has acquired, to a certain extent, a form of participation in management, since under the pressure of trade unions an ever increasing range of issues concerning management decisions are included in the agreements. The new approach to bargaining was reflected in the trade unions' Programme of Action adopted by the Federation of German Trade Unions' Board in June 1979. This document defines the trade unions' current objectives as well as those that are of longer range. Of the 16 objectives that have been formulated the second most important one is the expansion of wage-level autonomy that was not even mentioned in the 1972 programme. The latter programme emphasizes that trade unions are working for the expansion of a wage-level autonomy that would enable collective agreements to regulate, in a greater degree than before, questions pertaining to the retention of jobs and guaranteed wages, as well as conditions of work, vocational training and re-training of workers.⁴⁵ The Basic Programme, adopted at the Fourth Extraordinary Congress of the Federation of German Trade Unions (March 12-14, 1981, in Düsseldorf) is also based on the proposition that it is necessary to develop participation in institutionalized forms and to coordinate policies of sectoral trade unions relating to wages as well as their struggle for the expansion of rights of workers fixed in collective agreements. In 1984, the Federation of German Trade Unions developed the concept of participation at the place of work viewing it as a matter of great importance, and then worked for conclud-

ing special participation agreements extending the rights of workers at factories.

Thus, in effect all basic models of participation we noted exist in West Germany. However, most attention in other countries, in the course of socio-political discussions in Europe, centred on the supervisory councils with the participation of worker representatives, and on the struggle for parity representation, i.e., institutionalized participation. This was described as the "German model".

Earlier the "German model" included "concerted" actions, namely, a system of coordinated measures of trade unions, associations of employers and the government. However, since the end of the 1970s its importance has greatly diminished.

In addition, during the 1960s through the 1980s a number of other systems of participation developed in Europe. They include a system that could be designated as system number 2 (because of its greatest opposition to the first), namely, participation in management through collective agreements. It met with its greatest support among workers' movements in Italy and Great Britain.

Of course, collective agreements exist in many countries, but in Italy the workers were able to significantly extend the range of issues that were included in them. They go far beyond issues pertaining to wages, elementary conditions of labour and others that form the basis of agreements relating to the selling and buying of labour power, and do in fact encompass management decisions. The struggle for the expansion of the range of issues included in agreements and for control over their implementation, was the basic approach of the trade unions in expanding the influence of workers in production management. It met with the support of the basic political streams associated with the workers' movement and especially of the Italian Communist Party.

The events of 1975-1976 when the trade unions called for control over capital investments and the production policy of enterprises played a fundamental role in the formation of this system. A powerful strike movement in support of these demands produced noticeable results. Trade unions of metal workers, chemical workers, construction and textile workers and a number of others attained the right, recorded in agreements, to receive information from large enterprises and regional groups of enterprises concerning investment and production programmes, plans for the location of production facilities and utilization of labour power as well as the right to verify activities and studies in these spheres. Even

though not all demands made by trade unions were satisfied, these achievements were highly valued by the workers. The Italian Communist press described the result of this struggle as "a turning point in the history of industrial relations in Italy", and as a "victory of absolutely new positions in the confrontation between trade unions and employers".⁴⁶ Communists consider that the working class obtained new possibilities to oppose capital in the sphere of making important decisions, while capital still retained a decisive position in terms of real economic power.

Today, various models of participation are widely discussed in Italy including in institutionalized forms. However, the determining one remains the system (in this case one may say model) which in one of its forms was given a name that completely corresponds, in our view, to this type of participation in general, namely, "conflict cooperation" (*cooperazione conflittuale*).

A similar type of relations exists between labour and capital in the sphere of production management in Britain. True, consultative councils of enterprises operate there, yet, as it is noted in the so-called Green Book of the European Community, employers consider these councils to be only consultative bodies and have never considered giving them the right to participate in the making of decisions.⁴⁷

In addition in Britain attempts were made by studying the experience of other countries, to create a system of participation which was largely similar to that of West Germany. A government Committee of Inquiry on Industrial Democracy was set up to develop this project headed by Lord Bullock. The basic difference between the proposals of the committee and the "German model", lies in that a single body for the management of a company was envisaged — a board (rather than a board and a supervisory council, as in West Germany), consisting of representatives of shareholders, employees and the public. The essence of the proposals of the committee for board composition is clearly expressed by the formula $2x + y$, where x represents the number of directors elected by trade union members, representing not less than 20 per cent of the total number of those employed and also directors elected by the shareholders; y is the group of directors representing the public and co-opted with the consent of the majority of each of the first two groups; the values of x and y depend on the size of the enterprises.⁴⁸

Serious disagreements developed already within the committee, and this resulted in a division of views. Subsequently, in addition

to the document entitled "The Bullock Report", a "Minority Report" was adopted⁴⁹ that did not, however, have as much social impact as the basic report. A very sharp discussion developed around the latter, during the course of which the report was criticized both from the right and left.

In May 1978, the Labour government of Great Britain announced plans for extending workers' participation in the management of industry, including the possibility to appoint "worker directors" in the boards of all large companies. The programme of "industrial democracy" was described in the government's White Book in general terms and presented to Parliament by Prime Minister James Callahan. One should note the formulation of "industrial democracy's" objective, namely, a positive partnership between the administration and workers and not merely a coexistence in which both sides occupy defensive positions. The proposals described in the White Book were based on the report of the Committee of Inquiry on Industrial Democracy. However, the government rejected some of the points of this report that provoked much debate including those that provided for the equal representation of workers and management in the boards and also for including independent members.

Yet, even these greatly abridged plans were suspended. The Conservatives, who immediately expressed their objections to the proposal of the Labourites asserted that their implementation would lead, above all, to a lowering of the effectiveness of management and a reduction of investments in production. The left-wing Labourites and the Communists criticized both the "Bullock Report" and Callahan's proposals, asserting that they did not in effect provide employees with rights in the management of production, but served the objectives of a policy of "social partnership".

Complex developments in the Labour Party, especially after its defeat in the elections, led to greater divergence in views concerning participation as well. Many left-wing Labourites associate democratic control with the expansion of the government sector, the nationalization of key sectors of the economy and banks, and progress towards a socialist society. Anthony Benn, S. Holland, E. Roberts, Ken Coates and other Labour officials and researchers associated with the institution of labour control, called for true economic democracy and the establishment of control over big business and worker control of each industry or service associating this with even more far-reaching transformations.⁵⁰ They criticized

the forms of participation that, in their view, led to the integration of the working class into the capitalist system. Today, however, not all of them have retained consistent positions in this respect.

In recent years, British trade unions have been more inclined towards a search for forms of a more direct influence on managerial decisions in production, but "conflict cooperation" remains the predominant type of relationship between labour and capital in the sphere of production management.

A distinct type of project for participation appeared in Sweden. It exerted a great influence on public opinion, especially in Europe. This system, which is based on financial participation, sets the objective of not simply motivating employees but of eventually transferring into their hands the means of production as well as their managing of finances while progressing towards that objective.

In 1971, Rudolf Meidner, a leading economist of the Swedish Trade Union Confederation (STUC), organized a working group to develop a project of reforms for the democratization of the economy. As a result a document was published, that was approved in 1976 by a conference of the STUC. The project was called "Meidner Funds" or "Workers' Funds". According to this project, enterprises were to contribute a certain share of their profits into a workers' business fund; its greater part was to be spent on the acquisition of shares of the given company. Moreover, the workers would gradually become owners of an increasingly larger part of its capital. As a result, in several decades (depending on the sum deducted) they would become complete owners of the company or at least would hold the controlling interest. During the discussions, the details of the project were repeatedly revised and clarified. According to its terms, trade unions had to play an important role in the management of the workers' funds.

In the foreword to the project Gunner Nilsson, the STUC Chairman, wrote: "In our country a concentration of ownership and power quite out of democratic control permanently goes on. This concentration increases with the growth of capital. Work is the real cause of the growth of capital. The labour movement considers that work must result in power over production. Work must have its share from the growth of capital and lead to labour power over profits."⁵¹

In this way, for the first time the question of ownership and power came to the forefront, and this, according to Communists, was not simply a tactical manoeuvre. Yet, Communists have noted

with reason that in itself participation in profits by no means constitutes a threat to capitalism, and cannot serve as the path to socialism. To some degree, it can even support capitalism. It provides employers with all the possibilities to manoeuvre with the aim of retaining power; trade unions, for their part, would be constrained, forced to accept cooperation and display loyalty towards capitalists.

The project was widely discussed by literally all trade union members. In the meantime, capitalists and reformists in the government developed their own, completely different, approach in accordance with the principles already formulated in 1965 in the report of the Central Committee of the Swedish Association of Employers entitled, "Cooperation in Entrepreneurial Activities in the Future". The general strategy for the management of production was formulated in this document. As a result of the elaboration of this report a law on participation appeared as well as a law on labour protection and labour power market. The first of these laws confirms the need for improving information and extending trade union rights at negotiations, but at the same time employers as before can dictate their will. The second of these laws does not view it as its task to provide a final and conclusive formulation of the problem of participation in management; it defines only the basic framework. The government considers that capitalists and trade unions must themselves establish concrete forms of mutual relation. In March 1979, the leaders of the STUC and the government as an employer, concluded an agreement in which a so-called balance of interests was reflected under the heading of "Common Points of View". According to Communists, these laws contributed to a greater stability of the labour force market. However, some of their clauses represented a new powerful instrument in the hands of capital in the struggle against so-called illegal strikes. These laws did not produce the expected effect, and today one already observes considerable disappointment in them by both the employers and the trade unions.

As for the discussions of the "Meidner Funds" project, they did not by any means serve to advance the cause of their main idea. Following prolonged discussions, on December 21, 1983, the Swedish parliament, by a vote of 164 to 158, approved the project presented by the Social Democratic government for the creation of "employee funds". Twenty Communist deputies abstained from the voting. In their view, this reform "strengthens the capitalist system and does not infringe on the power of a handful of large

financial clans over industry and production". The leadership of the bourgeois opposition parties condemned the creation of these funds, that, in their view, "threaten free enterprise", "hamper private initiative" and "open the way to a collectivist socialism". They assert that these funds represent "an initial step towards a socialist society in which trade unions will rule enterprises".⁵²

In early 1984, five regional funds were formed. They were to be administered by councils of nine persons, five of which represent employees (trade unions). Each was to have 400 million kronor a year at their disposal in order to acquire shares in accordance with their choice. Until 1990, these funds will be created from a tax of 20 per cent on enterprises' superprofits. The latter may, however, deduct in advance from the balance the part of the income attributable to inflation and also on a one-time basis, a sum equal to 500 thousand kronor or else 6 per cent of the entire wages fund. The bourgeois opposition expressed apprehension that regional bodies could acquire up to 40 per cent of the shares of some enterprises and "that naturally many employers will not like this".⁵³ Dividends from shares will be contributed to the national pension fund.

In the opinion of the Social Democrats, the voting in parliament concluded the politically complex discussion initiated by the workers' trade union centre. The initial project had envisaged a transfer of power at enterprises into its hands. But now, in the view of Swedish Social Democrats, a "practical solution" has been found for the problem of large incomes, that, moreover, does not "place the principle of a mixed economy in doubt". The funds will become "counterweights to an economy based on speculative activities". (It should be noted that a concentration of capital had taken place during the 44 years of Social Democratic rule. From 1932 to 1976 the Swedish Social Democrats had never objected to structural reconstructions and to capital mergers in the private sector if this increased the competitive ability and maintained export capacity in good condition.)

The government also hopes that the funds would contribute to the revival of capital investments and moderate demands for higher wages until 1990. According to Kjell-Olof Feldt, Minister of Finance, the revival of the economy will require "equal sacrifices".

During the parliamentary debates, the Social Democrats sought to play down the scope and consequences of the reform. They hoped that it would gradually be accepted by the public. But actually the

opposite is taking place: according to polls only 25 per cent of Swedes view it positively. And this in spite of the "explanatory campaign" that the trade unions had conducted.

As the Swedish press asserts, the struggle is still far from over.

In Sweden, as in Britain, Italy and other countries, a clash took place between the so-called local systems of participation and a modified and inferior variant of the imported "German model". And projects that were more far-reaching were either turned down completely or made ineffective. This alone points to many things, including both the strong resistance of capital to efforts to deprive it of certain managerial prerogatives, and the limited effectiveness of reformist attempts to transform economic relations by supporting bourgeois democratic institutions rather than the struggle of the working class in all its forms.

Still another European system of participation developed in a specific environment—that of revolutionary Portugal. This immediately distinguished it from others. Workers' commissions possessing a relatively wide range of rights form its basis. The Portuguese Constitution, adopted in April 1976, formulated their special position in Article 56 describing participation as "control over management". "Workers' commissions have the right:

" (a) to receive all information that is needed for their activities;

" (b) to exert control over management at enterprises;

" (c) to participate in the reorganization of production units;

and

" (d) to participate in the development of labour legislation and the socio-economic plans relating to their own branches."⁵⁴

The most important feature, however, is that these commissions, just as other bodies of worker control and participation in management, emerged on the crest of the revolution. This determined the character of the mutual relations between labour and capital, of workers and the government in the sphere of management. We believe that this deserves a special examination in the section in which we shall consider the future prospects of participation. Still, it was important to mention the Portuguese workers' commissions in the context of a general consideration of the best known systems of participation that have drawn general attention, for these commissions, even though their role has been somewhat diminished as the revolution receded, continue to operate as a factor that influences both social and political discussions and, above all, the struggle of workers for rights in the sphere of production management.

Together with the best known systems noted earlier that, one may say, will continue to evolve in the future, there also exists a number of others which in principle correspond to the basic models and represent national modifications of institutionalized participation, "conflict cooperation" and worker representation, as well as forms of participation in management associated with financial participation. However, these are less elaborated and do not play substantial role in economic relations, as do, for example, parity participation in West Germany or collective agreements in Italy. We have already noted Belgium's "pyramidal system of agreement", that represents a system of bodies of worker representation acting on a national scale. Production councils existed in Luxembourg since 1920, and since May 1974, according to a law adopted at that time, a new system has been in force here that is based on mixed production councils established on a parity basis from representatives of employees and employers, and administrative councils in which the interests of the employees are represented by only a third of all members. Basically the bodies we have noted perform consultative function; they may adopt and carry out decisions only with regard to secondary issues. Various forms of worker representation and participation exist in Denmark and Norway. There have been discussions for a long time in these countries concerning participation projects based on types of financial participation similar to Sweden's "Meidner Funds". Other forms of participation were tried out as well, but generally participation has not yet been developed widely.

As noted, participation extends to all continents and thus assumes specific forms. On the basis of studies of the experience of European countries, Domei, Japan's General Confederation of Labour, has proposed its own model. This includes an increase in the number of consultative bodies at enterprises and the introduction of worker representatives into councils of directors in the future. Counter-proposals were made by other public organizations. Forms of participation that are employed or publicized in Latin America (Peru, Panama, Chile and others) possess their own features, but there, too, one finds a gravitation towards basic European forms of participation.

So-called participation at work places occurs relatively widely in Europe and in other parts of the world, generally in the form of "self-management groups", as well as shop stewards, insurance delegates, and others. In our view, the various types of "management at work places", such as the DPO⁵⁵ system in France and the

system of worker groups at the Volvo enterprises in Sweden, serve more to increase exploitation of workers, providing them with moral and material motivations for voluntary self-exploitation, as it were. However, their influence on management decisions is negligible. The activities of workers' representatives at the lowest level serve to protect workers' interests. But they cannot exert a serious influence on the management of modern large-scale production or on fundamental decisions or only do this to the extent to which they mobilize workers to struggle against particular managerial decisions.

In examining the existing forms and specific systems of participation, it is obvious that none of them affect the position of the worker in production in any fundamental way; as before he possesses only labour power that he is compelled to sell in order to exist and is exploited through appropriation of surplus value by capital. As before, he may find himself to be jobless at any moment. The basic features of economic relations of capitalism remain unchanged.

At the same time, it would be incorrect to see in participation, at least in its more developed forms, only the illusion of involvement in management, in utilizing the means of production. The efforts of capital to reduce the matter precisely to this is one thing. However, the practice that has developed in the course of a mutual conflict of labour and capital is an altogether different matter. Even though the basic levers of management remain in the hands of the employers, their actions are constrained to some extent by workers acting on the basis of collective agreements and in participation bodies. To a large extent, the activity of management is becoming more open and trade unions frequently are informed of decisions before they are adopted and thus can take counter-measures. To a certain extent, employers are then already bound in their decisions since they will have to discuss them with workers. Thus, the prerogatives of the power of capital become limited to a certain extent. Consequently, the position of the worker with regard to the means of production will also be changed somewhat if he is viewed not as separate individual that in many cases may be treated arbitrarily, but as an aggregate worker. The cases in which workers are able to influence decisions concerning capital investment, the relocation of production, the opening or closing of enterprises, the use of the work force, the introduction of new equipment and technology and the preservation of existing jobs or the creation of new ones, represent a real influence on the man-

agement of the means of production. It is another matter that capital seeks to deprive workers of the rights that they have won, does not adhere to existing laws and resorts to any types of ruses and deceit to achieve its aims. It is precisely because of their fixed status of workers without the right to own property that workers can bring about changes in decisions in their favour each time only through struggle in each specific case — whether in or outside of participation bodies.

If one seeks to distinguish stages of the development of workers' influence on production management the following may be listed:

- negative control, i.e., the non-recognition of specific employer decisions *de facto*, their rejection through strikes;
- collective agreements that presume certain discussion by both sides — employers and workers — at first only of the conditions of the sale of labour power, and then a wider range of issues associated with production management;
- participation in discussing and adopting decisions with the principal levers of management being preserved in the hands of employers;
- complete worker control over private production, i.e., control at enterprises, on the sectoral and national level, presuming the subordination of private interests to social; this is feasible as a transitional stage to the elimination of the rule of private property as workers gain control over the basic levers of political power;
- participation in the management of socialist enterprises;
- self-management of associated producers.

Naturally, the last two steps lie beyond the capitalist mode of production. They refer to fundamentally new economic relations based on the social ownership of the means of production. But only then is real participation of workers in production management achieved as the collective management of the means of production in the interest of the whole of society is realized in some particular form.

It is possible, in our view, to draw the following conclusions from what has been said.

First, modern participation has developed as the outcome of a prolonged confrontation of labour and capital, mutually opposed class forces, and a complex and contradictory development of the very idea of worker intervention in the management of capitalist production and the experience of the worker movement. In its most general form, it represents the result of the struggle at the given moment reflecting the actual alignment of class forces. A

specific feature of modern participation that distinguishes it from similar phenomena in the past, is that it is not necessarily associated with a revolutionary situation or imminent changes in the social system. Participation in its established forms operates as an element of the existing system.

Second, participation is a form of class relations whose content may differ fundamentally depending on the alignment of forces. Depending on this and on the state of evolution and consistency in the proletariat's struggle as well as on the extent to which revolutionary achievements have already been attained, participation can be either a form of "social partnership" or a real achievement of the working class that already benefits it today while also serving as a platform for advancing on capital. The history of participation is, in a certain sense, the history of the struggle between reformist and revolutionary approaches to the problem of worker rights in production management.

Third, the victories of the working class achieved in the sphere of production management, their demands and accumulated experiences transform participation into a mobilizing force in the struggle, whose potential can serve a fundamental revolutionary transformation of the existing system. This is why Communists consider it necessary to define their attitude to existing types of participation as well as to demands for participation proposed by the working class and to determine the current place of this problem in the strategy of revolutionary struggle.

Fourth, the principal propositions formulated by V.I. Lenin pertaining to the idea of worker control, as well as the conclusions taken from his practical experience can still provide a theoretical basis for the position of Communists on participation even today.

NOTES

¹Karl Marx, Frederick Engels, *Collected Works*, Vol. 4, Progress Publishers, Moscow, 1975, p. 505.

²Karl Marx, Frederick Engels, *Collected Works*, Vol. 20, 1985, p. 11.

³*Ibid.*

⁴*Ibid.*, p. 451.

⁵V.I. Lenin, *Collected Works*, Vol. 9, Progress Publishers, Moscow, 1977, p. 81.

⁶Cf. V.I. Lenin, "Resolution on Measures to Cope with Economic Disorganization", *Collected Works*, Vol. 24, 1974, p. 513; "The State and Revolution", Vol. 25, 1977, pp. 459, 479; "On Slogans", *ibid.*, pp. 185-92; "Can

the Bolsheviks Retain State Power?", Vol. 26, 1977, pp. 102-04, 111-29; "Draft Regulations on Workers' Control", *ibid.*, pp. 264-65.

⁷V.I. Lenin, "Two Tactics of Social Democracy in the Democratic Revolution", *Collected Works*, Vol. 9, 1965, p. 81; "Resolution on Measures to Cope with Economic Disorganization", pp. 513-14.

⁸V.I. Lenin, *Collected Works*, Vol. 25, pp. 327-69.

⁹*Ibid.*, Vol. 26, pp. 170-71.

¹⁰Karl Marx, Frederick Engels, *Collected Works*, Vol. 5, 1976, p. 81.

¹¹*Ibid.*, Vol. 6, 1984, p. 519.

¹²V.I. Lenin, *Collected Works*, Vol. 23, 1977, p. 25.

¹³*Ibid.*, Vol. 26, pp. 107-08.

¹⁴*Ibid.*, Vol. 25, p. 362.

¹⁵*Ibid.*, Vol. 27, p. 477.

¹⁶Wilhelm Ellenbogen, *Sozialisierung in Österreich*, Verlag der Wiener Volksbuchhandlungen, Vienna, 1921, p. 18.

¹⁷*Ibid.*, pp. 18-19.

¹⁸Antonio Gramsci, *Opere*, Vol. 11 (Socialismo e fascismo, *L'Ordine nuovo* 1921-1922), Giulio Einaudi, Turin, 1966, p. 67.

¹⁹*Ibid.*, p. 68.

²⁰*Ibid.*

²¹Antonio Gramsci, *Opere*, Vol. 9 (*L'Ordine nuovo* 1919-1920), Giulio Einaudi, Turin, 1954, pp. 192-99.

²²*L'Ordine nuovo*, No. 73, 14 March 1921.

²³*Geschichte der Sozialistischen Einheitspartei Deutschlands*, Dietz Verlag, Berlin, 1978, p. 39.

²⁴*Mitbestimmung als Kampfaufgabe*, p. 22.

²⁵V.I. Lenin, *Collected Works*, Vol. 31, 1977, p. 200.

²⁶Harry Pollitt, *Serving My Time. An Apprenticeship to Politics*, Lawrence & Wishart Ltd., London, 1950, p. 163.

²⁷F. Naphtali, *Wirtschaftsdemokratie. Ihr Wesen, Weg und Ziel*, Europäische Verlagsanstalt, Frankfurt-on-the-Main, 1966, pp. 10-16.

²⁸*The Programme of the Communist International*, Modern Books Limited, London, 1929, p. 63.

²⁹Léon Blum, *L'Histoire jugera*, Editions de l'Arbre, Montreal, 1945, p. 295.

³⁰*Die Berner Konferenz der KPD (30. Januar-1. Februar 1939)*, Dietz Verlag, Berlin, 1974, p. 135.

³¹*Programatische Erklärung des Zonenausschusses der CDU der britischen Zone auf Tagung von 1-3.-11. 1947*, Nachdruck von IG Metall für die Bundesrepublik Deutschland, Frankfurt-on-the-Main, s. a., p. 3.

³²*Ibid.*, pp. 1-3.

³³H.-D. Ortlieb, "Der Kampf um Wirtschaftsdemokratie und Mitbestimmung". In: *Wege zum sozialen Frieden. Beiträge zur Mitbestimmung und sozialen Partnerschaft in der Wirtschaft*, Ring-Verlag, Stuttgart-Düsseldorf, 1954, p. 22.

³⁴Heinrich Deist, *Wirtschaft von morgen*, Verlag H.W. Dietz Nachf. GmbH, Berlin-Bonn-Bad Godesberg, pp. 141-42.

³⁵*Protokoll der Verhandlungen des Parteitag der Sozialdemokratischen Partei Deutschlands vom 18. bis 23. Mai 1958 in Stuttgart*, Neuer Vorwärts-Verlag Nau & Co., Hannover-Bonn, 1958, p. 233.

³⁶Protokoll der Verhandlungen des Ausserordentlichen Parteitag der Sozialdemokratischen Partei Deutschlands vom 13.-15. November 1959 in Bad Godesberg, Verlag Neue Gesellschaft, Bonn, 1972, p. 533.

³⁷Das Mitbestimmungsgespräch, Düsseldorf, No. 5/7, 1976, pp. 149-51.

³⁸Parteitag der Kommunistischen Partei Österreichs (Gekürztes Protokoll), Stern Verlag, Vienna, 1965, p. 36.

³⁹Marxistische Blätter, 4. Jahrgang, No. 1, January/February 1966, p. 2.

⁴⁰Udo Mayer, "Mitbestimmungsgesetz '76, Grenzen und Möglichkeiten", Nachrichten-Reihe 4, November 1976, Nachrichten-Verlags-GmbH, Frankfurt-on-the-Main, pp. 13-50.

⁴¹Ibid., pp. 38, 39.

⁴²Vorschläge der DKP für Mitbestimmung, Düsseldorf, 1969.

⁴³Vorschläge der DKP für eine demokratische Mitbestimmung, Düsseldorf, 1972.

⁴⁴Vorschläge der DKP für Mitbestimmung, p. 51.

⁴⁵Aktionsprogramme '79, p. 802.

⁴⁶Rinascita, No. 19, 7 May 1976, p. 4.

⁴⁷"Participation des travailleurs et structure des sociétés dans la communauté Européenne", Bulletin des communautés Européennes (Brussels), 1975, Suppl. No. 8, p. 100.

⁴⁸Report of the Committee of Inquiry on Industrial Democracy, p. 98.

⁴⁹"Industry Not Ready for Drastic Changes, Minority Members Say", Times, January 27, 1977.

⁵⁰Tony Benn, *The New Politics: A Socialist Reconnaissance*, London, 1970, pp. 11-12; *Arguments for Socialism*, Jonathan Cape, London, 1978, pp. 42-43; *Arguments for Democracy*, Jonathan Cape, London, 1981.

⁵¹Quoted in *World Marxist Review*, No. 7, 1980, p. 43.

⁵²*Le Monde*, December 23, 1983, p. 5.

⁵³Ibid.

⁵⁴Constituição da República Portuguesa, Edição de Federação Nacional dos Sindicatos Metalúrgicos, Lisbon, 1976, pp. 38-39.

⁵⁵"La direction participative par objectifs", which means "a system of participation based on objectives". Its essence is that a system of subdivisions is created at enterprises corresponding to the production profile and in accordance with the top downwards principle, down to the level of small groups of workers, each of which carries narrowly specialized specific tasks. Each production unit receives an assignment from above as well as its own specific type of budget that it may employ in such a way as to obtain maximum revenue. In some respects this relative freedom of action is attractive to the workers, and is above all advantageous to the employers.

Chapter Three

Views on Participation in the Communist Movement

Let us examine the attitude of Communists to participation and its evolution up to the present time and try to distinguish and analyze the basic and more typical concepts.

As it has been mentioned above, the views on participation problems expressed by Communists at international theoretical conferences and symposia differ and cause discussion.

It is significant that during discussions common approaches emerge and a convergence of positions occurs, which is important, among other things, because this can produce, in our view, the rapprochement of the positions of trade unions of various countries and that is an especially pressing need today. The time has come, and this is reflected in trade union documents, to coordinate the workers' struggle internationally for the control of the capital of transnational corporations and of supranational capital in general. In this connection, to better understand the differences in the positions of Communists on participation and also to see the common elements that unite them, it seems appropriate to not simply examine the position of each party separately but to try to distinguish the characteristic concepts and especially those that differ most in a number of ways.

This is a fairly complex task for a number of reasons. First, some communist parties have not yet formed sufficiently distinct views on these problems, and especially programme objectives. This is even true of European countries where participation has existed for some time. Moreover, in spite of some common essential features, the concrete demands and proposals of individual communist parties still differ so much that it is impossible to describe them in terms of any specific concept or a system of

general attributes without pointing to the characteristic features that are associated, as a rule, with the specific conditions of their struggle and general programme. For this reason, in examining a particular system of views on participation and noting for which parties it is characteristic, in each case we will also mention the specific positions of individual parties.

With the aim of systematically examining the views on participation in the communist movement, it would seem natural to rely on those criteria of analysis and systematization of views that are used in describing the positions of trade unions. For example, it is common practice to distinguish two basic trade union concepts with regard to the possibilities of workers' influencing decision-making at an enterprise, namely: (a) the concept of legally formalized participation in decision-making bodies; and (b) the concept of worker control through trade union actions aimed at influencing those decisions whose success would depend on the strength of the trade unions.

There is also another approach in which three "models" of trade unions' attitude to participation in management are distinguished: the cooperation "model"—the position of West German trade unions; the "total model" of non-cooperation—the position of the French and Belgian trade unions; and an intermediate "model" of partial non-cooperation that is characteristic of the trade unions of many countries.

There is no doubt that both attempts to distinguish fundamentally different positions reflect, in the most general way, the actual state of affairs. But while such an approach is applicable to the trade union movement and even then with a certain degree of arbitrariness, it is not suitable for the analysis of the position of the communist parties. The main point is that the system of criteria itself with which Communists approach participation includes not only, and not primarily, formal elements such as the recognition or the non-recognition of specific forms of participation but, above all, a political evaluation from the point of view of whether participation and its concrete forms contribute to or hinder the working class's advancement towards the basic objective of its struggle, namely, a radical transformation of society. In addition, when viewed in detail, the concepts of Communists are not limited to, say, the recognition of participation in decision-making bodies. They encompass a wider range of issues and contain far-reaching and many-sided demands. An excessive simplification of reality in the classification proposed by B. Wilpert, an Austrian economist,

greatly limits its applicability even to trade unions. If one makes use of the proposed terminology, the non-cooperation of French and Belgian trade unions only refers to some forms of institutionalized participation, while these trade unions recognize both collective agreements and employee committees at enterprises. At the same time, the concept of cooperation is not even suitable for the trade unions of West Germany if taken as a whole and not as the position of its individual leaders.

Yet, while rejecting the possibility of automatically applying these approaches, we do take them into consideration to some extent, especially since the positions of the communist parties with regard to concrete forms and specific elements of participation systems are often close to the positions of trade unions.

This refers to the following conceptions held by Communists.

The Initiative Conception

This conception is advocated, for example, by the German Communist Party which has developed its views on participation very fully and in great detail. It would seem appropriate to describe it in the same terms as the positions of trade unions and to identify the institutionalized forms of participation as its main principle. However, this would be incorrect. Recognition of institutionalized participation could indeed serve as a formal attribute, or, to be more exact, as one of the attributes of the GCP's views. At the above-mentioned conference on the dialectics of economics and politics in the revolution and at the symposium devoted to participation, representatives of other parties at first expressed concern regarding the fact that West German Communists consider it possible, with due reservations, to make use of the institutionalized form of participation employed in their country, *Mitbestimmung*. The following insistent questions were addressed to representatives of the German Communist Party: is this not "a form of integration of the working class with the capitalist system"?¹ (Aulis Leppänen, Finland); does the GCP accept the concept *Mitbestimmung* or not? (Jacques Scheibling, France); "does not participation lead to a loss of the working people's prospects in the struggle, of the prospects for socialism"?² (Antonio Correia, Portugal). These questions sounded almost like criticism. It should be noted that by the end of the symposium this situation changed completely, at least in the sense that representatives of the GCP had clarified their views in

detail and were understood by the other participants. The point is that it would have been a mistake to emphasize this particular attribute, above all, because the position of the GCP is not at all limited to a recognition of institutionalized forms of participation, and this does not, as West German Communists emphasize, constitute its essence.

At the symposium on "Worker Participation in Production Management..." Lüdwig Müller, member of the GCP Board, expressed the point of view of the party: "The point of departure and central element of all the demands for worker participation in the management of enterprises in the FRG are what Marx called the political economy of the working class, namely, control and management of social production on the basis of social knowledge and prevision."³ Earlier this position had been substantiated in the collective study undertaken by the Institute of Marxist Studies in Frankfurt-on-the-Main.⁴ Its authors base their view on Marx's proposition that the political economy of capital, or bourgeois political economy, is opposed by the political economy of the working class whose essence lies in the social character of production itself and its social management.⁵ Such a goal is attainable in the future. However, in the process the working class has to win intermediate positions, developing in this struggle its organizational ability and strength and creating better conditions for advancing to the final objective. Today, this refers to demands for the immediate limitation of the economic power of capital and for the participation of employees in decision-making with regard to working conditions, production, distribution and state-monopolistic regulation measures, as well as the winning and implementing corresponding rights in the course of the persistent class struggles directed against the unilateral right of capital to manage production. In this way, West German Communists establish a direct link between the workers' current demands and the final objective of the working-class struggle.

In examining the documents of the GCP we note that a careful position with regard to participation, tempered by a concern that workers will view it as consent to "social partnership" and by the need to support the demands of trade unions, is transformed into a well-grounded integral concept that is comprehensively embodied in the party's programme.

An objective basis for the development of participation is also seen by the Communists of Denmark. Freddy Madsen, a member of the Executive Committee of the Central Committee of the

Communist Party of Denmark, considers that foundation to consist mainly in that "while it elevates the role of the human factor, modern production requires a worker committed to his job. Wage labour, the labour of producers separated from the means of production, increasingly falls short of the demands made of it by the development of the productive forces. Moreover, an element of this objective foundation is that the decisions of big monopoly enterprises influence the nation's economy and social progress, and the development of the entire society; it thereby gives rise to the realization that there has to be public control of production management. It is another matter how adequate the current responses are to these objective requirements stemming from the development of production."⁶

The struggle for democratic participation and worker control is viewed by those who support the concept under consideration as a major area of the struggle to defend, strengthen and expand the democratic and social rights of the working class and its organizations both at the factory and at the company level, as well as its influence in economic policy. Moreover, it is always emphasized that participation in management is a class demand that has deep historical roots in the workers' movement. By its very nature, it represents a part of far-reaching demands in the struggle for the extending and deepening of democratic rights. As West German Communists stress, it can by no means be reduced to the so-called institutionalized participation in management, i.e., to the issue of legislative regulation of relations at enterprises. Democratic participation in management is a subject of class struggle in all forms (economic, political and ideological) and at different levels. As for the degree of realization of demands for participation in management, this is defined by the actual relationship of forces between labour and capital and is ultimately associated with the question of power. During periods of the intensified class struggle and of growing class-consciousness, this struggle expresses itself directly in demands for democratic and worker control. Demands for participation in management are a specific and limited form of expression of wider and more far-reaching demands for democratic and worker control.

In spite of all the limitations and inadequacies of the existing types of participation, supporters of these views regard it as an achievement of the working class and, moreover, emphasize this point. They note that in practice, participation developed "as a result of the working people's struggle and also of the attempts by

the ruling circles to integrate the working class into their system."⁷ Furthermore, they stress that none of these laws on participation "was proposed by the businessmen's associations or the state, and none of them was accepted voluntarily. All were won as a result of vigorous action by the workers and their unions."⁸

The proponents of this conception attach much importance to the embodiment of the victories won by workers in legislation. West German Communists note that it would be incorrect to underestimate the victories of the working class, including those that become law. These are achievements that relate both to institutions of participation and to rights that have been won in collective bargaining. But in addition "Communists realize that if the demands for participation in management are not based on the anti-monopoly strategy of the working class, if they ignore the social base of capitalist society at its latest stage they may degenerate, in ideological and practical terms, into the starting point for monopoly capital's policy of class collaboration and integration, whose purpose is to erode democratic rights and muzzle the working class and its organizations".⁹

The proponents of this conception view bodies of participation in management as well as the system of collective bargaining as channels for the working class not only defending its own everyday interests but also winning new positions, extending its rights and ultimately bringing about fundamental changes in the very position of workers within the system of economic relations.

It is emphasized that participation in management is "not a substitute, an ersatz for the historically necessary abolition of the capitalist system, but part and parcel of the struggle for social and democratic progress, for the democratic renewal of the state and society, a struggle that is essential to achieve that goal".¹⁰ The struggle for participation in management constitutes a single whole with the struggle for the establishment of an anti-monopoly state power based on the working class and other democratic forces. It is associated with a fundamental change in the political correlation of forces. The struggle for participation in management and control merges with the struggle for other anti-monopolistic reforms, such as a struggle for social ownership of raw materials and other key branches of industry, enterprises, banks, insurance companies, monopoly press and cultural organizations, as well as for other transformations that ultimately open the path to socialism.

In this context, participation in management is viewed as being a historically formed link between current and future interests and

achievements of the working class, between everyday problems and those relating to social structure.

An important element in that conception is its approach to the use in the interests of workers of rights for participation that have already been won and embodied in law. Communists consider that the process of realizing these rights calls for a constant effort on the part of workers and their trade unions. They advocate the utmost use of the rights granted by law and call for a substantial expansion of that legislation. At the same time, they support all efforts of workers' collectives and trade unions who through their daily activities are trying to oppose the arbitrary practices of employers. In this way, the German Communist Party links the struggle for making use of existing laws and the steady expansion of worker rights in production management.

West German Communists give serious attention to a direct analysis of specific laws, to revealing their limitations as well as possibilities and ways for making use of them.

In explaining the position of the GCP at the symposium in Leverkusen, Ludwig Müller emphasized that the GCP as well as the trade unions do not regard the 1976 participation law to be worthy of its name. The GCP does not approve of the law in its present form, but this does not mean that it is totally unacceptable. He stressed that it does contain some positive elements in respect to the rights of worker collectives, their elected representatives and trade unions. Communists see it as their task to help workers make use of these positive elements; "what is happening is a process of learning how to use achieved rights, to invoke the law,"¹¹ and at the same time to constantly disclose the major negative aspects of that law. Ludwig Müller noted that discussions in supervisory councils by no means "replace the class struggle (although this is exactly what the employers want). They complement it and are closely linked to it. The Communists in the participation bodies never act as 'social partners'. They fight for the rights and interests of the workers. This, too, is a front between the opposing forces of labour and capital. When necessary, the struggle ranges beyond these limits and receives effective support from the trade unions and all working people."¹²

Does not participation lead to the loss of the working people's perspective in the struggle, in the perspective of socialism? "Is there not the danger that the working class will see the orientation on participation in management as the end goal? Will it not say that if a system of broad rights of workers has been achieved there

is no need to move any further?"¹³ The question is also posed in a different way: does participation contribute to a strengthening of the capitalist system or does it undermine it?

In answering these questions, proponents of the concept under consideration emphasize in the first place that one should distinguish between a *struggle* for participation and worker control, for extending workers' rights in production management and the *practice* that has currently developed. As for the struggle itself, without doubt it does merge with the general stream of anti-imperialist and anti-monopolistic activities, contributes to the process of democratization and undermines the foundations of capitalism. Practice, as it has already been noted, under certain conditions may be reduced to "social partnership".

To sum up, among the positive elements that the German Communist Party sees in the struggle for the development of participation, there are the following interrelated aspects.

First, as it is emphasized in the GCP Programme, the struggle for democratic participation and control is very important for the development, both ideologically and organizationally, of a powerful democratic potential aimed at making a shift towards social and democratic progress and achieving an anti-monopolistic democracy that would open the path to the establishment of a socialist social structure in the Federal Republic of Germany. But participation in management can bring only partial results, it cannot conclusively decide issues relating to power.

Second, the use of the rights that have already been won and the struggle for their extension—not only within the framework of supervisory councils, but, as Ludwig Müller emphasizes, in order "to use production and wage-rate agreements as a means of exercising the right to run enterprises"¹⁴—makes it possible already today to defend workers' immediate everyday interests with more success.

Third, worker representatives in participation bodies obtain information concerning the state of production, plans to relocate capital, rationalization and other projects of the management. This makes it possible for workers to defend their interests not only through participation bodies but strikes and demonstrations organized in a timely manner, i.e., this increases the effectiveness of all forms of struggle.

Fourth, Communists see in participation the means of developing the strength, class consciousness and the readiness of the working class to struggle to achieve full power.¹⁵ "In the struggle for

partial spheres of power it [participation] must create the conditions for winning all power."¹⁶

Fifth, West German Communists regard participation as important because in the course of working on production councils and especially on supervisory councils of firms, on the one hand, workers gain experience of combating various types of manoeuvres of employers and the management (just as they do in trade unions, or perhaps even more so), which thus helps them defend the interests of workers today. On the other hand, they acquire experience in the management of modern production that may help them in the future.

Among the main arguments given by the advocates of this conception in favour of participation in management is that the workers and the trade union movement consider the opportunities offered by participation far from exhausted and believe that this form of interaction between the workers and the capitalists and this direction of struggle can be effective. Practical activity in participation bodies and the struggle for broader rights in production can show the working people and their organizations that participation in itself does not solve their problems, nor does it change radically their position in social production and in the system of economic relations.

Furthermore, actual participation retains all the contradictions typical of such phenomena described earlier in this book.

Setting forth the position of the German Communist Party for those who give a one-sided assessment of participation in the FRG, Ludwig Müller said that they normally assess the goals of the Social Democrats, the goals of capitalism, its government and right-wing trade union leaders, forgetting, first, that these political and social forces pursue similar aims with regard to all forms, all organs and establishments of the working class set up for winning broader rights, gaining greater influence and having its interests represented on a wider scale (this concerns all capitalist countries). Second, a strong trend with clear class orientation exists in all worker collectives and trade unions at all levels, and this trend is growing as new class experience is gained. The followers of this trend do not see participation as sharing the responsibility for capitalist economic management. They demand a participation in management which would give workers, representative bodies and trade unions broader positions in order to meet the workers' demands and protect and extend their rights in the name of attaining the ultimate goal of the working-class movement. Müller thinks it is im-

portant that the fraternal parties should always remember that "in the question of participation in management there is not only the stand of the German monopolies and Social Democracy but also the stand of the German Communist Party and other forces oriented on the working class".¹⁷

The party acts so as not to alienate those in the trade unions and worker collectives, and also the majority of vacillating reformist-minded workers, who today participate in individual progressive actions, but tomorrow will again fall under the influence of the opportunist integrationist forces. It takes care that they are not left alone, exposed to the influence of the monopoly mass media and Social Democracy.

West German Communists, as it has already been mentioned here, believe that there are two approaches to participation, that is, it is regarded either from the stand of the class struggle or as social partnership. This idea was aptly expressed at the symposium by Rolf Knecht: "When we speak of participation in the FRG, the main thing, of course, is the angle from which we consider it. Since I am a Communist I cannot consider it from a Social Democratic position. In the FRG it is easier to be a Social Democrat. But I have to decide: either I regard participation from the stand of the class struggle or as a social partner, i.e. either as a Communist or as a Social Democrat."¹⁸ The GCP stressed in its Düsseldorf theses that participation must not be a means of class harmony, but be a means of struggle of the working class for its goals, for the goals of all working people.

Answering their opponents who said participation could lead to social partnership, breed corruption, etc., West German Communists, while not ruling out such a possibility, argued that such a development was not inevitable. "Let me give a characteristic example," Rolf Knecht said. "Although there is now more participation than formerly, the strike movement in the FRG was in one of the first places in Europe for the number of strike-days. To outstrip, say, the French in the number of strike-days is already an achievement."¹⁹ Suffice it to recall in that context the famous strike in the steel industry, the very industry in which parity participation has been practised for over thirty years now. Precisely there, in the opinion of the GCP, a more advanced and active section of the working class is concentrated. So there was no automatic connection between participation and political awareness of the working class or social partnership, as it sometimes seems. "The class struggle has thus become more acute. I would say, despite participation in

management," notes Rolf Knecht. "Perhaps it was due to participation."²⁰ There will always be as much participation in management as the working class itself will win.²¹

Just like at the symposium in Leverkusen, West German Communists had often to set forth their stand to their counterparts in the fraternal parties who visited the country. Significant in this sense was the talk at the Institute of Marxist Studies in Frankfurt-on-the-Main. We had arrived there with a group of communist party representatives on the *World Marxist Review* journal. Below is our talk, which is slightly abridged.

Jaime Schmirgeld, Central Committee member, Communist Party of Argentina: "In Argentina there is an unconstitutional system of consultations and agreements between the trade union centre, the employers' association and the government. This system, known as the 'social compromise act' or 'social pact', infringes the law on collective bargaining and denies the workers the right to protect their interests by strike action. We Communists are against this system. Is it not analogous to the participation system in the FRG?"

Prof. Joseph Schleifstein (at that time the director of the Institute of Marxist Studies): "I need hardly say that the employers are at pains to represent the system as 'social partnership'. The idea is also embodied in state legislation. We are against it, but we consider that on the road to participation in management, which is real only under socialism, there may be stages and forms of democratic control proper to the anti-monopoly period of struggle. What we call *Mitbestimmung* (a term translated, perhaps somewhat inaccurately, as 'participation') is a step towards genuine workers' control and we support the trade unions' demands, for we are for using existing laws, deficient though they are, in the workers' interest."

Adel Haba, representative of the Iraqi Communist Party: "I think the main thing is to lay bare laws imposing 'social partnership'."

Joseph Schleifstein: "This is right in principle. However, the legislation now in force is not merely a stratagem of legislation but a gain of the working class and its unions. It would be wrong not to take advantage of it in the given conditions. We represent countries differing in many respects and our approach to one and the same problem may be dissimilar. Let me note that it isn't only a question of demands but also of the strength which the working class develops in fighting for them. As this fight goes on, the meaning of bourgeois 'participation', its limitations and

inadequacy are exposed and the workers realize that they cannot win their fundamental interests on that basis. Lenin pointed out that through active struggle the working class can 'transform half-hearted and hypocritical "reforms" under the existing system into strong-points for a working-class movement'²² advancing towards socialism."

I have often seen for myself that this is true. In Dortmund I heard that, when the local workers failed to achieve through participation bodies a cancellation of the decision to transfer their factory to another country, they went on strike and their demand was ultimately met. In Wuppertal the strike came to nothing in a similar situation, and then the workers occupied the factory.

The Programme of the GCP adopted at the Mannheim congress of the party gives a detailed account of the Communists' position. Here is a brief review of its main theses:

- the GCP is for defending the social rights gained in the past and for achieving further improvements in order to win new positions enabling the working class and its trade unions to acquire greater political and economic influence. Precisely from this point of view the GCP attaches great significance to the struggle for participation in management and for democratic control;

- the GCP is for making the utmost use of the opportunities offered by the existing laws for actively defending the interests of the workers. The GCP supports the demands of the trade unions concerning participation in management. At the same time, it is for advancing greater demands. It counters any attempts to turn participation in management into an instrument of illusory social partnership and to make the interests of the working class dependent on those of monopoly capital;

- the GCP is for such participation of the working class and its trade unions in management which would extend from the shop floor, through a factory and a firm, right to participation in decision-making concerning the economic and social policy of the state;

- the GCP is for such participation in management which would extend to all major decisions at factories and firms, in particular, to all decisions concerning jobs, transfer of enterprises, capital investment, and also changes in the terms of ownership;

- the GCP is for such participation in management which would include all organs dealing with administration and control of companies and also other higher economic bodies, including government agencies. It should include the right and also the obligation

of factory and office workers represented on the participation bodies to report to the working people and their trade unions about their activities; and the workers' right and possibility to recall at any time the representatives failing to fulfil their functions.

So the GCP's approach to participation of the working people in management and its conception of participation as a whole are characterized as follows²³:

- assessment of participation primarily from the point of view of *political economy* (as distinct from the predominantly ideological approach), i.e., viewing this phenomenon in the context of economic relations of labour and capital;

- assessment of participation as an *historical* phenomenon, as an objectively existing natural stage in the evolution of relations between labour and capital, a struggle leading to the victory of the working people;

- assessment of the workers' demand for participation as an objectively arising *class demand*, and hence support to the working people's struggle for participation and to their wish to take the initiative in the participation drive;

- constructive *initiative* displayed by the party in this field.

A very important thesis linking the goals of the participation drive with the chief goals and directions of the working-class struggle was formulated by Herbert Mies, Chairman of the German Communist Party, in his report to the Party's Sixth Congress: "Whether it concerns peace or social security, questions of education, environmental protection or communal policy, everywhere the striving of monopoly capital to consolidate its domination and the policy pursued by the capitalist state and the traditional parties conflict with the demand of the people to reckon with its democratic aspirations. Unless this contradiction is resolved, the main issues of the 1980s cannot be solved..."

"Therefore extension of the workers' rights in management and satisfaction of their democratic demands are decisive conditions for a peaceful, more fair, in social terms, and more democratic development of the Federal Republic."²⁴

In 1985 the GCP issued a pamphlet setting forth its position on participation in management and proposed urgent measures to that end. The pamphlet entitled, *GCP Proposals on Democratic Participation*,²⁵ begins with these words: "Millions of factory and office workers in our country are unemployed. Millions of factory and office workers fear to lose jobs." This determined the mood and emphases of this document. Examining the new economic and

political situation, the GCP puts it straight: "Our country needs socialism. Only a change of the social system can nip evil in the bud.

"At the same time, it is imperative that the struggle to establish and develop democratic participation should go on."²⁶

The *Proposals* had taken into account all the new elements brought in by the crisis and the search of a way out of the crisis through modernizing production, by the introduction of new technologies, and also the public sentiments and social and political changes this caused. Many workers and employees, the pamphlet said, became critical about participation at least because even in mining and metallurgy participation did not prevent a reduction of jobs, and workers' representatives in participation bodies often grow corrupt and, instead of standing for the interests of working people, cater for the employers. However, the party believes that, as Big Business has come out to diminish the social rights, wages and other gains of the working people, actual participation is far more urgent than any time in the past. But that should be a different kind of participation, enabling factory and office workers to influence the investment policy, the merger of enterprises, the changes in their structure and also the use of new technologies. The workers should be adequately informed and take part in planning all innovations and changes. In this process their participation should spread to the entire economy. Participation should be democratized. The *Proposals* spell out the demands concerning participation at factories and offices and at joint-stock companies and firms, and on a national scale. A separate section is devoted to ways of combating the economic domination of transnational corporations.

In the theses of its Eighth Congress, held in May 1986 in Hamburg, the GCP formulated new and very important propositions. "Preconditions for a really humane use of scientific and technological progress exist only under socialism. But even under capitalism the abuses of scientific and technological achievements can be restricted and put to progressive use. This would require, above all, effective democratic control and participation of the working people in production management.

"The working class and its organizations should challenge the technological policy of Big Business with its own strategy of exclusively peaceful development and use of technologies for the benefit of the working people. The workers should be informed in due time about technological innovations, and more attention should

be paid to research and development, to rationalizing production and labour organization, to education and vocational training. The introduction of technologies that are used against the interests of work collectives and serve the arms race and surveillance of the population should be prevented through joint efforts. Scientific and technological progress should make work less arduous, more safe and skilled, the environment healthier, and living conditions better. It is time actions for an appropriate use of scientific and technological progress be linked closer with the struggle for peace, for democratic and social progress, for limiting the power of the monopolies."²⁷

Incidentally, democratic control over capital as a means of opposing a militarization of the economy has been demanded by other communist parties as well, for instance, the Communist Party of Belgium.

In this way, the GCP, taking into account all the changes taking place in production and in society, is improving and specifying its constructive participation programme.

Such a constructive approach, recognizing the need to extend, already now, the gains of the working class in production management, including the institutions of participation, has been formulated by other communist parties. Fernand Pasqualoni of the Communist Party of Luxembourg said at the symposium in Leverkusen: "We are aware that it would be wrong to limit ourselves to negating the existing forms of participation and ignoring the aspiration of the workers to intervene *now* in the decisions of representatives of capital. The Communist Party of Luxembourg puts forward demands that can mobilize the masses for a struggle to extend the rights of the working people in production, for access to the levers of management; a struggle of this kind promotes the class consciousness of the workers and gives them a better understanding of the link between current demands and the end goal."²⁸

The Communist Party of Luxembourg has offered its own alternative to the concept of social partnership. Together with other measures, this alternative is designed to limit the power of the monopolies and concerns. It demands that the working class and its organizations should have a say in decision-making. For instance, the workers should be granted the rights of control and decision-making in planning investment. The CPL believes that worker representatives should be relieved of an obligation of "non-divulgence" which prevents them from pursuing a clear and unambigu-

ous policy. It is important that the parity rule be observed when determining the composition of management bodies and procedure be followed under which representatives of the personnel would not just be elected from among their colleagues but be accountable to them. The Luxembourg Communists demand democratic control over ledgers and the balancing of accounts at large enterprises. Their main demands of late have been to reorganize the steel industry through nationalization.

This conception is attractive in that it has been thoroughly elaborated in theoretical terms and presupposes a vigorous offensive by the working people in production management and provides for using participation as a major means of exerting pressure on capital, as a form of struggle for the present-day interests of the working people, for a better future, for socialism. This is a conception of initiative, for it proceeds from the actual initiative of the working class in demanding participation, and not from passive resistance to initiatives of the bourgeoisie. It contains a constructive organizing idea, an idea of action, of mobilizing the working class to struggle in production management, of fight for extending the working people's rights and ultimately establishing their economic power.

In practice this is far more complex, of course, than in theory, primarily because mere desire to take on initiative in a social movement is not enough, and real forces and appropriate conditions are required for that. Besides, even a well-developed concept may not be fully grasped by the working people.

Meanwhile the Communists already now can do a great deal through their representatives and observers in production councils to defend the working people's interests and to spread their ideas. More often than not, the activities of Communist representatives among workers, their speeches, and their organizing role prove even more effective than action through trade unions. The GCP, for instance, works persistently to attain its strategic goals, despite the difficult situation and the danger awaiting it on its path.

But, on the whole, the extent to which this concept or its elements are acceptable in a given country and for a given party depends on a variety of factors: the actual level of social and economic relations, militancy of the trade unions, influence of the Communists, and alignment of all political forces.

"Conflict Cooperation" Conception

Formal signs of this conception, which has been developed most consistently by the Communists in Britain and Italy, are seen quite easily in that their advocates negate institutionalized worker participation in the management of private enterprises, that is, participation in supervisory councils and boards of directors, and recognize collective bargaining and some forms of worker representation, such as factory committees, the shop stewards institution, and the like. However, as in the case of the GCP, there is a whole system of views behind these individual signs.

In the first place, the advocates of this concept, as distinct, say, from the West German Communists, strictly discriminate between workers' control and participation. The former is viewed as workers' demand which can be fully met only when the workers assume power; while the latter, viewed primarily as participation in institutional forms, as "joint management" in the manner of West German *Mitbestimmung*, is regarded (both as an idea and as practice) to be an invention of the capitalists, a manoeuvre of the employers, which is, first, a response to the growth of the labour movement, to the increased membership, militancy and radicalization of the trade unions, and, second, an attempt to discipline workers, intensify their exploitation through self-discipline based on an illusory belief that they have common interests with capital. The idea that participation can be a result achieved by meeting workers' demands, a result of their struggle, seems in this case to have receded into the background.²⁹

The difference between this conception and the one examined in the previous section is discerned already when we compare the titles of the reports made at the Leverkusen symposium by a representative of the German Communist Party, Ludwig Müller, and a delegate of the Communist Party of Great Britain, Bert Ramelson. The GCP report is entitled "Democratic Participation and Control – A Class Demand of the Workers", while the title of the CPGB report is "The Workers Take a Negative Stand on Class 'Conciliation'".³⁰ In the report by Bert Ramelson, as in other works of the same trend, it is stressed quite insistently that participation is being imposed on the working class from above by employers, governments, supra-national organizations and the EEC. British Communist Gerry Pocock calls EEC recipes on participation "ersatz democracy" and describes the proposals on including worker directors in the supervisory boards of companies in the private sec-

tor as an attempt "to conceal the predominance of property relations between owners and workers".³¹

The CPGB strongly rejected the proposals on industrial democracy and worker directors at private enterprises. Bert Ramelson writes on that score: "From both a theoretical point of view and as a result of practical experience in West Germany and other countries, it is clear that such participation is harmful to the working class. It is class collaborationist in character, dampens the class struggle, leads to corruption of workers' representatives and is a deceptive sham of industrial democracy; its primary objective is to enmesh workers in running industry to provide maximum profit for the shareholders."³² However, Ramelson sometimes deviates from this view, as we shall see it later, especially when he regards the specific conditions in one or another country. But this is his principle.

At the basis of the conception, in terms of political economy, is the thesis that the interests of labour and capital are irreconcilable, that conflict lies at the root of their relationship. "A basic Marxist thesis is that there is an irreconcilable conflict between capital and labour in the sphere of production and distribution," Ramelson says. "Now, then, can the two sides be reconciled in the process of decision-making? I think 'reconcile' is really the wrong word. Everything can be determined through a confrontation between labour and management (on behalf of capital), while the outcome of each particular struggle, which is continuous within the framework of capitalism, is determined by the balance of strength between the workers, on the one hand, and capital, on the other."³³ Participation, in the opinion of British Communists, "eradicates from working-class ideology the very idea of uncompromising conflict",³⁴ thereby orienting the working class on "social partnership", and not on struggle.

Thus the initial economic thesis is developed to a point at which questions of ideology associated with the sphere of consciousness come to the fore. In this context Communists point out the danger that the trade unions may grow weaker and less militant, that the struggle will be dampened and the workers may have an illusion that they have already attained their goal. By spreading among the workers an illusion of their responsibility for their factory and having common interests with the owners, the management, according to this conception, gradually "wins one section of workers after another, urging them to compete against another enterprise, against other workers, and this is where the danger of division

lurks".³⁵ Several authors believe that appointment or election of trade union functionaries and shop stewards to participation bodies may cause their integration into a system of the power of capital or at least cause alienation of workers from them.³⁶

But the British Communists, as Communists of some other countries for that matter, sense the mood of the workers. "The current widespread interest in and discussion of industrial democracy," says a document of the CPGB, "is evidence of the strong feeling that working people should have a much greater say in the decisions that affect them in their work. It is also a recognition that modern society, modern industry, cannot any longer be run on the basis of decisions taken by one side of industry which also happens to be a tiny minority of the population and whose interest in the company or factory is primarily a financial one only... Also it is increasingly recognized that decisions taken in industry are social decisions."³⁷ Mick Costello, a researcher in participation issues and an outstanding CPGB leader, points out as a positive fact that Lord Bullock's report recognizes "that industry today cannot be run efficiently (in capitalist terms) without the involvement of the workers".³⁸ Bert Ramelson notes that "the working people feel strongly they should have a much greater say in the decisions that affect them in their work situation, and in production and distribution", and have it now.³⁹ The question, in his view, is: "How are the workers to win a greater say in production, in decision-making?"⁴⁰

The statement on industrial democracy we have already mentioned here emphasizes that all that has been gained by the British workers and the more outstanding victories won by some trade unions had been due to the struggle and negotiations on collective bargaining. During that struggle, in the opinion of the CPGB, the workers come to realize that the economic struggle should become political, and discard the illusion that real participation of workers in management is possible while the controlling interest and the "commanding heights" are in the hands of the bourgeoisie.⁴¹

Examining the history of the struggle for working people's rights in management, a CPGB document says: "Bit by bit collective bargaining has been able to encroach on new areas, bringing what was hitherto regarded as managerial right *under some sort of control* (italics mine. —A.V.). Changes in agreements have been brought about by collective agreement between company (industry and trade unions at national level, at work place level by agreement between shop stewards), trade union officials

and management, by legislation in Parliament, by court of inquiry, etc. and by precedent. But fundamental to all these advances has been the determination of workers and their trade unions to insist, frequently with great tenacity and great hardship, on their right to be heard."⁴²

All this makes it clear that workers' control is still seen not only as a long-term prospect associated with cardinal changes in social relations, but as some sort of a reality of the existing system. Admitting this to be a partial gain, the CPGB sees the ultimate goal in full workers' control, which is possible only under socialism. So here, too, a distinction is made between workers' control as an ideal demand and as real practice, as the achievement, albeit a partial one, of the ideal, or as advancement to it.

The Italian Communists adhere to much the same position. In their general conception of advancement to socialism much emphasis is on democratic reforms, on the struggle to assert "elements of socialism" in society, and on introducing, already now, in society, or at least in the economy, the criteria, values and methods typical of the socialist ideal.

The theses issued for the 15th Congress of the Italian Communist Party said, for instance: "To overcome the contradictions inherent in capitalism, it is necessary to ensure the development of productive forces through a democratic programming of the economy. This goal can and must be set in the mass political struggle. To effect the programming, there should be democratic political power, in which the entire movement of the working people would take part and which would enjoy the support of the majority of citizens."⁴³ On this basis the idea of workers' participation in production management is formed.

"Participation of workers in decision-making concerning production activities (at factories and outside them)," the theses say, "is central to the policy of democratic planning and to the result of the new process of accumulation. The trade unions' right to obtain information on investments and employment must be extended and specified. The trade unions together with organizations of employers and regional bodies must be given an opportunity to take part in decision-making on labour fluidity, on control of production decentralization, on control over work done at home, on vocational training and in general on the policy of investment in various production spheres."⁴⁴

However, all this refers practically to only one form of interaction between the trade unions and the employers, i.e., collective

bargaining. Addressing the Brussels Conference of Communist Parties of the Capitalist Countries of Europe, held on June 13 and 14, 1977, J. Napolitano, a leadership member of the Italian Communist Party, said that the ICP considered exactly this kind of participation and industrial control by the workers possible in Italy, but it rejected the hypothesis of "joint management", of participation by workers' representatives in decision-making bodies at an enterprise.

This view was set forth in detail at the Milan conference, "Workers' Participation in Management at Factory Level", convened in February 1978 by the Gramsci Institute and the Lombardy Documentation and Research Centre. The conference sponsored by Communists was attended also by Socialists, trade unionists and representatives of employers.

Gianfranco Borghini set forth the Communists' position. He said that workers' participation in the policy pursued by an enterprise should be exercised on two levels: as proposals and as control. This means that the workers should have a say in decision-making on investments and on general trends in production activities and exercise permanent control, so that the decisions be carried out in practice. So the ICP rejects the demand of the employers to have a free hand in investment policy, in the use of resources and the choice of the main directions for production development. As for concrete forms of participation, the West German model cannot be applied in Italy, in the opinion of Borghini, because it would restrict the activities of the trade unions. The form of participation in production management suggested by the ICP at the Milan conference is known as "conflict cooperation" (*cooperazione conflittuale*). This is a formula, Borghini said, which provides for dualism, for typical differences between the workers and the management, but giving the workers a control function meeting public interests, above all at a time of a grave economic crisis.

We talked with Borghini at the meeting between a group of functionaries and scholars of the Italian Communist Party and Soviet experts in international affairs from the Academy of Social Sciences under the CPSU Central Committee. He, on the whole, confirmed the same point of view and stressed again that Italian Communists regard the model adopted in the FRG as unsuitable for Italy.

The advocates of this concept do not oppose the idea of compromise inherent in participation. They believe that any negotia-

tions wind up in a compromise, but its character can change, because it reflects a concrete alignment of forces at a given moment, an alignment which is changing for the better, from the point of view of the working class. So if the workers have not won today, they will possibly win tomorrow. This suggests an interesting idea about compromise: it can be either passive, i.e., concessions are made to achieve immediate goals ("a bird in the hand is worth two in the bush"), determined by the readiness of the working class to be content with little, with "doles" and partial gains; or it can be a militant compromise based on the recognition of actual alignment of forces, i.e., the working class is aware that it cannot gain more at the given stage of the struggle, but still does not lose sight of its long-term goal of winning full economic and political power.

Recognition of collective bargaining as the chief form of interaction between labour and capital in production management does not narrow down the range of problems whose solution the workers would like to influence. On the contrary, a struggle is going on to extend and deepen the content of collective bargaining. The massive strike movement in 1976 enabled many Italian trade unions to achieve tangible results.

During the strike struggle, which is often launched when collective agreements are renewed, new workers' representation bodies—shop committees and factory councils consisting of workers' delegates—were set up in Italy at the turn of the 1960s. At first their chief function was to organize and coordinate strikes during the renewal of the agreements, but later their role increased and their functions rapidly expanded. For instance, the statute of a Milan factory council adopted in 1970 defines the tasks of the council in the following way:

"—to coordinate all trade union activity at the factory in close interaction with the personnel;

"—to hold meetings with representatives of other factories ... to share experience;

"—to advance initiatives to solve workers' problems at the factory and in society;

"—to contribute to drawing up a political line of the trade union..."⁴⁵ A broad discussion over the role of factory councils flared up in the country. Bruno Trentin, a leader of the General Italian Confederation of Labour, noted in this connection: "There is no doubt that in the debate on the delegates, on councils and their role, and on their relations with the trade union one could feel the heavy burden of the memories of another experience,

other decisions, and other debates: factory councils in Italy in 1919-20, factory councils in Germany in the same period, factory councils in Soviet Russia from 1917 to 1920, or the experience rediscovered by the shop stewards in Britain."⁴⁶ But at that time Italian factory councils had not played a significant role. On July 4, 1972, three trade union confederations—the General Italian Confederation of Labour, the Italian Confederation of Working People's Trade Unions, and the Italian Labour Union—signed an agreement on establishing a United Trade Union Federation. The agreement proclaimed, among other things, that the Council of Delegates was a grassroots trade union organization having the right to conduct negotiations at shop-floor level.

What do Italian Communists think about the role of factory councils? Pietro Ingrao, a member of the ICP leadership, has this to say about them: "Factory councils today are the richest and most progressive display of the growth of democracy from below. As I see it, these organizations are not developing towards assuming state functions. If they would, this would lead to an elimination of a fairly important aspect of democratic dialectic which we are trying to create: an aspect of a dialectic connection between the trade unions and the party, between a trade union's emphasis on immediate goals and priority tasks, even when it deals with general problems, and an emphasis on long-term historical goals, on the future of the society, which is always made by a political party of the working class, even when its historical goal is closely associated with specific and urgent demands."⁴⁷

The 15th Congress of the Italian Communist Party noted (1979) a decline in the activity of the masses and "alarming elements of bureaucratization of the activities of the councils of delegates". The congress pointed out that the Communists were not always in the forefront when new organizations and associations were formed in keeping with new demands.

The party conception of factory councils was epitomized in the programme of social-economic policy and economic management advanced by the ICP in the early 1980s. The programme said that "strong and unitary trade-union organizations had taken root at enterprises, and that this process is mounting and accompanied by complete recognition of the role of these grassroots structures and their contractual power".⁴⁸ The programme says that "the council of delegates is a representative of the working people at a factory"⁴⁹ and functions as an organ of modern industrial democracy in ensuring workers' participation by exercising control over the work

of an enterprise.⁵⁰ This position of the ICP on factory councils as a trade-union element of industrial democracy was confirmed also at the 16th Congress of the party in 1983. The document approved by the ICP Central Committee as the basis for the discussion at the congress said: "It is in the interest of the trade union movement to promote the spread of effective industrial democracy based on struggle and contracts, on the right to obtain information, on devising the 'plan of the enterprise' in accordance with a proposal by the General Italian Confederation of Labour. Hence the importance of extending the representative capability of the councils ensuring workers' participation."⁵¹

The crisis in the early 1980s as a result of so-called technological renovation gave rise to misgivings among Italian Communists that "the renovation processes could lead to various phenomena of authoritarianism and narrow down workers' participation",⁵² that the "crisis of class influence at factories"⁵³ tends to grow. Therefore the ICP is concentrating more on problems of workers' influence on managerial decision-making.

Considering the role of the state in regulating market relations, Silvano Andriani, a well-known economist and secretary of the Centre for Studying Economic Policy, notes that to restore the state's ability to regulate economic relations and interplay of interests, avoiding tough etatism, means to adopt a different approach to economic democracy, to the way the information system is organized, to the socialization of the accumulation process, to new forms of workers' participation in decision-making concerning their factories, etc.⁵⁴

The Communist Party of Great Britain, too, demands that more questions be covered by collective bargaining (investment, location of enterprises, the building of new and expansion of old enterprises and whole industries, long-term planning of work force, training workers and upgrading their skills, etc.).

In fact, the aim is to make collective bargaining an instrument of control over capital.⁵⁵

Today, Communists in practically all countries are again reassessing their possibilities to increase working class' influence on every aspect of the capitalist economy. As they search for ways of achieving this, they arrive at diverse solutions, wishing to use in a more flexible way than before every means of defending working people's interests, in particular protecting them from unemployment. But let us summarize the analysis of the views that have already become established.

Speaking in more general terms, the approach we are examining is that genuine, full workers' control is a goal which must be fought for without any illusion that it is attainable under capitalism. The workers should know that they can only win control through confrontation: "Then workers learn the real limitations to workers' control under capitalism. Thus we help them win in the struggle for changing the system of society which is hindrance to genuine, full workers' control."⁵⁶

The advocates of this conception have assumed an entirely different attitude to the public sector. British Communists point out that the public sector still operates in the framework of state-monopoly capitalism and the state seeks to use this sector to gain its own ends and make it serve the private sector. They believe, for instance, that "there should be no fundamental, irreconcilable conflict between the workers in a publicly owned industry and the management, whose objective is not, or at least ought not to be, the maximization of profit at all costs and against the workers' interests".⁵⁷ Therefore they believe that the workers should participate in management in the public sector.

In a special resolution, "Public Ownership and Industrial Democracy", adopted at the 34th National Congress of the CPGB in 1979 democratic control of production is associated primarily with the task of extending nationalization as part of the democratic programme and the main way of achieving an "irreversible shift in the balance of wealth and power in favour of the working class".⁵⁸

Nationalization is not a long-term but an immediate demand, the CPGB emphasized, and it should extend to all key industries, not only to those in a bad condition. The 34th Congress stressed also that the methods of industrial management in the public sector must be changed cardinally to ensure genuine control over the economy.

In their proposals on industrial democracy the British Communists say that in this case the measures they have suggested are not intended as a blue-print for the time after the working class have taken power, but they would play an important role "in helping the fight to achieve socialism in this country".⁵⁹ Bert Ramelson has this to say on that score: "As a Party we campaign for the extension of the public sector within the existing capitalist framework, both as relevant in dealing with current problems (e.g., to meet the need for massive investment and restructuring the economy) and as an important element in the struggle for our long-term strategy."⁶⁰ At its 34th Congress the CPGB stressed that, if the

Communist Party proposals are carried out, "a new type of nationalized industry" can emerge, which may then become "a powerful weapon in realizing the strategy of the British Road to Socialism" and open up "a new era for class struggle".⁶¹

The Communist Party of Great Britain has proposed the setting up of a single council, democratic in structure, in which workers would be represented and which would be accountable to workers in a given industry and to parliament, and should consist of directors representing four bodies:

(1) directors elected from and accountable to the workers employed in the industry; subject to periodic re-election and recall by the trade unions; the directors should not occupy official posts in the trade unions or be shop stewards;

(2) directors appointed by the British Confederation of Labour who should speak for the trade unions as a whole. The Communist Party considers that a narrowing down of workers' representation when the workers of only one industry are represented can cause a wish to defend local interests, while democratic control is required in the interests of all working people;

(3) directors elected by and accountable to representative bodies having a special interest in the industry, such as district councils in the capital or county councils;

(4) directors appointed by the government.

Though the number of council members will depend on the size of an industry, etc., the CPGB believes that the key principle should be that the directors representing the workers of a given industry and those appointed by the British Confederation of Labour should be in the majority. The council should be accountable to a corresponding minister and a parliamentary committee.

The Communist Party of Great Britain sees a danger in the conception according to which the workers of a given factory or industry should have the say in decision-making on production and marketing. Since parochial attitudes have not yet been overcome among them, they are likely to defend the interests of the workers of one industry to the detriment of others. Besides, a danger of anarcho-syndicalism is also there. So the CPGB's conception suggests that the workers of an industry or enterprise would elect to their leading body not more than one-third of the representatives, and another one-third to be elected by the working class at large through the national trade union movement to defend the interests of the working class as a whole.

A resolution of the 34th National Congress of the CPGB says the extension of participation and democratic management depends on the level of struggle for these goals and on the adoption of laws making it binding on the employers to give all the information required for collective bargaining. But the resolution sets forth only the basic views and recommendations concerning the forms, structure, management and accountability of enterprises that have already been nationalized or that can be transferred to the public sector later. Concrete decisions and tasks associated with the extension of industrial democracy are left to the discretion of the workers at the enterprises.⁶²

The British Communists see the strengthening of trade union organizations at grassroots level, primarily shop steward committees, as a major condition of effective workers' participation in management.

Yet another significant element of the CPGB's concept is that it sets great store by the independence of trade unions using their organized strength and power during negotiations with management councils, even in the public sector of industry. Bert Ramelson, for instance, believes that being simultaneously a trade union leader and a representative in participation bodies causes a split of a worker's consciousness and he may stop supporting only the interests of the workers whom he represents, which is followed by a conflict of interests in his consciousness.⁶³

These ideas are argued against by some of the experts studying this problem, and they were the subject of the discussion at the Leverkusen symposium. The main objection is that opposing the workers operating in the trade unions to those who are in management bodies is more dangerous than a "split of consciousness", because, as it was observed by José Oyarce, Central Committee member of the Communist Party of Chile who occupied a ministerial post in the Allende cabinet, on the basis of Chile's experience, this can lead to "ideological and political discord, injects or can inject confusion among the working people".⁶⁴ This danger becomes most obvious when the working class takes power. In Chile a part of the workers represented in management bodies did everything they could to have production run smoothly, for on this the improvement of the people's well-being chiefly depends, while the other part only demanded higher pay, sometimes even maximum pay, regardless of anything.

In our view, the argument erupted largely because the participants in the debate viewed one and the same problem from

different angles: some proceeded from the conditions of workers' struggle for power; while others, from the positions of power already won. The difference in the positions of the GCP and the CPGB, both operating in the conditions which are similar in this sense, is explained by the difference in their experience. In our view, there are not enough grounds, experience and facts to give a definite answer to this question as regards conditions under capitalism. It is quite possible that there can be no simple answer, that it will be different in different conditions. As regards the countries where socialism has triumphed – if we do not go into all details of relations between the trade unions and the state, which is itself a separate and complicated problem – it may well be said that workers' participation in production management cannot be exercised unless trade unions take part in it at all levels of decision-making. If serious differences emerge between them and state bodies on questions of principle, this, as practice has shown, may entail dangerous political consequences.

During the debate, comparison of institutionalized participation and collective bargaining as its form has not led to any simple conclusions. An interesting observation was made by Soviet expert V.I. Maslov who studies class relations, in particular, the practice of collective bargaining and participation in management in the FRG: "Although collective agreements helped to a certain extent to improve the workers' well-being, the practice of regulating labour relations through collective bargaining to no small degree activates the 'social partnership' ideology. The growth of conciliatory tendencies in West German trade union movement increased, especially since the early 1960s, when the state began to interfere actively in labour-and-capital relations and collective bargaining policy was centralized. This fact was recognized in the 1970s in the trade union press."⁶⁵ Maslov pointed out an extremely significant circumstance, which has been noted by a number of theorists of the trade union movement: an agreement, even if it is ideal from the point of view of the working class, does not equate the positions of labour and capital. During the operation of a collective agreement the employers are in an altogether different position than the trade unions. They can increase prices, lower the cost of production through rationalization, lay off workers, relocate enterprises and invest capital abroad.

Maslov's conclusion on collective bargaining coincides with our general assessment of participation: "On the whole, agreements can both facilitate the spread of the ideology of class

'collaboration' and be a means of class struggle laying bare the opposite character of the interests of labour and capital."⁶⁶ In our opinion, there is every reason to conclude that all that has been said about the decisive role of class confrontation in extending the rights of the working people in production management equally pertains to all forms of interaction between labour and capital in this sphere.

The critics of institutionalized participation often concentrate on its individual models, sometimes levelling their criticism at the very idea of participation, at its any system, that is, they speak about ineffectiveness of the existing forms and models, but their conclusions concern participation in general. Participation, they maintain, does not effectively represent the interests of factory and office workers, and the obligation assumed by workers' representatives in various councils not to disclose production secrets compels them to play a double game, which sometimes causes distrust among the workers. This plays into the hands of the owners and managers who seek to split the workers. Worker representatives receive some information at the councils, but bound by the "non-divulgence" obligation, they cannot use it. Besides, the capitalists manipulate figures, calculations and statistical data. But the main thing is that participation in management is in itself not a solution to the question of ownership and power.

To be sure, this criticism fully refers to practically all existing models of participation, or to most of them, but it would be wrong to ignore other arguments: the workers' movement can, as West German Communists believe, through consistent struggle, gradually wring concessions and some rights from the monopolies, and achieve, in particular, a broader representation of factory and office workers in supervisory councils, obtain fuller information, and can insist that the workers' representatives in the supervisory councils of firms and factory production councils be accountable to those who have delegated them there. These rights are won in the same way as new provisions of collective agreements are won and compliance with these agreements is achieved.

This is a hard struggle, of course, but partial successes in it are theoretically possible, and definite gains have been achieved in practice. On the other hand, it would be an illusion to believe that the monopolists and capitalists will entirely yield their most important rights to the workers. Consistent struggle means in this case that it should be carried on until the workers take the means of production into their hands.

The conception of "conflict cooperation" is doubtlessly strong in its critical part, and its positive content consists in a serious warning against social partnership and class collaboration, in exposing the social partnership ideology. It indicates the dangers awaiting the working class on this path. But should one limit beforehand the possibilities of using the existing forms of participation, except for the cases when this is dictated by specific circumstances, to the work to extend the rights of the working people in production management, to make the popular masses understand during this struggle that the forms described above are imperfect and insufficient, to develop their class awareness, and exert pressure on capital? The Communists increasingly concentrate on elaborating these questions in a constructive way, so as to retain initiative in meeting the actual requirements and demands of the workers, and to prevent other political forces from seizing this initiative.

To give the reader a clearer idea of the difference between the two views of Communists on workers' participation in management at private capitalist enterprises, and bring out the main elements in the approach to participation, we have drawn up a table briefly reviewing these positions (which, naturally, makes them somewhat simplified).

The Initiative Conception

The possibility of using various forms of participation, including institutional ones, is recognized.

Participation is regarded above all as a category of economic, basis relations.

Participation is a class demand of the workers from below, an expression at a given moment of more far-reaching demands.

The practice of participation is a result of the struggle between labour and capital and is a gain of the working class.

The "Conflict Cooperation" Conception

Collective bargaining and worker representation bodies are recognized, while other institutional forms are denied.

Participation is regarded primarily as a category of the superstructure, of political and ideological relations.

Participation is above all a manoeuvre of the employers in response to the workers' struggle and is imposed on them from above.

The practice of participation is a compromise on the part of the workers; full workers' control is possible only when the workers win political power; an acceptable form of control in present-day conditions is struggle, but not participation.

Participation develops consciousness among workers, making them see in practice the need to fight for cardinal reforms; in this process the danger of social partnership should be taken into account.

Participation does not solve the question of ownership and power, but can help in the struggle for its solution.

Participation creates illusions among the workers, leading to their giving up the struggle for the ultimate goals and to making concessions to the ideology of social partnership.

Participation does not solve the question of ownership and power and hampers the struggle for its solution.

We should stress it again that these theses do not reflect the Communists' views fully enough and are somewhat simplified. But it is fairly safe to suppose that, should this table be used as a kind of a sociological questionnaire in which a person would be requested to underline the theses which are more acceptable to him, the West German Communists would underline the theses in the left column; while the British Communists, in the right one. This supposition is based on the analysis of their documents, their works and the numerous talks mentioned above, during which such an experiment was in fact carried out, though its results, being inadequately representative, cannot be regarded as entirely accurate.

In any case, the table, in our view, can, despite the oversimplification, help one to see better the difference between the two main conceptions of participation held by Communists. Below we shall try to look into the reasons behind the two concepts' specific and common features.

Pragmatic Approach to Participation

Not all communist parties have fully outlined their stance on participation. It would be wrong to call their stance intermediate or to regard it as 'partial participation', according to the classification of trade union conceptions. They do not accord fully with any of the Communist conceptions described above, but in some aspects they coincide either with one conception or another. This is not an intermediate or uncertain position. It would be more correct, in our view, to describe this approach to participation as pragmatic, that is, an approach which is not based on an integral system of criteria, but on the analysis of a concrete situation.

However, this does not imply that such an approach is to be regarded in a negative way. The changeable nature of participation

and its positive or negative effects on the struggle carried on by the revolutionary forces, which depend on many things — the alignment of political forces, concrete situation in a society, etc. — impels practically any party to change, to some or other extent, its political guidelines concerning this subject. The need for this is explained also by other factors. In some cases we see that Communists deliberately assume a flexible position on participation, not binding themselves with long-term guidelines, because practice has not yet accumulated sufficient data for making conclusions on the substance and forms of participation in a given country. Such a position makes it possible to take decisions according to the circumstances. In other cases programme propositions on participation have been poorly elaborated so far because this problem has not yet become a priority for a party (for instance, in a country ruled by a dictatorial regime). Most often there are several reasons which are interdependent and therefore we regard the pragmatic approach to participation as a single phenomenon.

Speaking about the conceptions of initiative and that of "conflict cooperation", we referred to some propositions taken from documents issued by the communist parties of the Scandinavian countries — Denmark, Sweden and Norway. But in this case, in our opinion, the attitude to participation is still unstable, it is just taking shape, which is a result of the contradictory character of the practice of participation and, as it was noted by Hans Kleven, a prominent figure in the Communist Party of Norway, in an interview to *World Marxist Review*, this is associated with the difficulties involved in the theoretical elaboration of the problem.

The Communist Party of Denmark identifies its stance on democratizing production management with the task of establishing anti-monopoly democracy, which it set in the Programme adopted by its 25th Congress.⁶⁷ The Programme envisages strong anti-monopoly action and nationalization of a number of enterprises which are a stronghold of Big Business. This is regarded as a step towards giving people access to a number of major commanding heights, and facilitating their struggle. Besides, the Programme has a provision on promotion of democracy. "Socialization and democratic control of the key positions in the economy," the Programme says, "should be used as *instruments* of a democratic economic policy. This requires a democratic nationalization of the monopolies, big banks, crediting agencies and insurance companies to an extent ensuring effective economic control for the benefit of the people. This control can be facilitated by an extension of cooperation."⁶⁸

But advancement along the path of anti-monopoly democracy is not yet socialism.⁶⁹ The means of production as a whole are not yet public property at this stage. A fairly large private sector still exists in the economy and in production, though it functions within politically established limits. Nationalization of the key areas of the national economy makes possible political control of the economy and even some elements of a democratic planned economic management prior to a final transition to socialism.

Speaking about concrete democratization measures and the stages of advancement towards gaining new positions in production management and participation of workers in it at state and private enterprises, Freddy Madsen pointed out that the party seeks above all to frustrate actions aimed at limiting the workers' rights. In Denmark, for instance, a wide system of laws protects employers from working people's actions. The Communist Party of Denmark has demanded that all the laws giving the capitalists state support against the workers must be abrogated. It has proposed that collective tariff and standard agreements should include a provision expressed in this formula: "negotiations — compromise — action". The meaning of this formula is that if at some enterprise or in some industry no agreement has been reached through negotiations, the organizations representing the opposite sides should try to reach a compromise. If this gives no result either, the workers have the right to strike. At the same time, the Communists insist on providing guarantees for representatives, who are sometimes sacked with only a few hours' notice. These measures are regarded as a preliminary condition of guaranteeing workers real rights in production. Only satisfaction of these immediate demands, says Madsen, can open the way to diverse initiatives aimed at ensuring participation in management. Participation can be achieved, in particular, by setting up production councils at enterprises as a result of vigorous action by the working people.⁷⁰

At the same time the CPD spoke definitely and argumentatively against the idea of "economic democracy" based on "financial participation", that is, the idea that enterprises should contribute part of the sum of the wages to a centralized fund put at the command of workers' representatives. According to a draft written by the trade unions jointly with the Social Democrats in 1973, at big enterprises two-thirds of that sum should be spent on buying the shares of the enterprise and a definite sum is to go to the central fund, which must then invest it in other enterprises, in particular, those which have been hit the hardest by the crisis.

The CPD's arguments against this system are noteworthy.

First, the fund is made up of wages, and so the wages are to be cut.

Second, the hope that this measure will enable the workers really to influence the affairs at their enterprise is illusory. It is stipulated in the draft itself that the workers may buy not more than 50 per cent of the shares. But it was calculated that by the year 2025 factory and office workers will be able to buy no more than 40 per cent of all shares even if no counter-measures are taken by the firms. It is most difficult to establish control over large and rich companies, while the foreign concerns, which play an increasingly big role in Denmark, will not be affected by these measures at all.

Third, since the wealth of an enterprise is created by the workers, they do not need to pay their money to once again buy the means of production; the workers' influence should be based on their real participation in production.

Fourth, "economic democracy" is going to be used for disarming the workers ideologically. The goal is to spread an illusion that the workers are co-owners of enterprises and should therefore reckon with the competitiveness of this enterprise when advancing their demands. This is an attempt to induce the workers to agree to self-exploitation.

The financial participation proposals have been rejected by the working class, largely due to the efforts of the party, despite the large-scale and costly campaigns launched in support of these proposals at enterprises and in trade union organizations. That was followed by new drafts which, in the opinion of the CPD, could not give the workers real participation in management.

As we see it, the CPD displayed a critical class approach to the practice of participation and its proposed models. During the Leverkusen discussion Freddy Madsen spoke of the need for a more thorough elaboration of a constructive alternative to bourgeois and reformist conceptions. "One must not labour under the participation delusions, everybody agrees with that. But what next? If we want to go ahead, we must demand an extension of rights for workers and employees." The search for ways of using various forms of workers' influence on managerial decisions has been growing of late. The Appeal to Trade Union Members, adopted at the conference of Communist representatives of trade unions on January 23-24, 1982, says in part: "Dispute the employers' right to undivided management of enterprises and the

economy! The workers should win the right to have a say in decision-making at enterprises."⁷¹

The Swedish Communists deal with "self-administration groups", with workers' participation in enterprise management bodies, and with the concept of "workers' funds", i.e., with diverse forms of participation.

The Left Party—Communists of Sweden has taken a fairly uncompromising stand on the participation laws adopted by the Riksdag and regard them as measures in the spirit of social partnership. The attitude to workers' funds, proposed by the Social Democrats and the trade unions, was sharply negative at first. The initiative was fully in the hands of the Social Democrats. But before the law on workers' funds was adopted, other laws, proposed by the employers and suiting precisely them, have been passed. In this connection José Oyarce, a Chilean representative at the Leverkusen symposium, asked Swedish delegate Branberg: "When the Social Democrats take the initiative in bringing up the question of worker participation in production management, of the democratization of production, involving the trade unions and practically all the workers, not only in their own country, in a discussion of their recommendations, should the Communists confine themselves to criticism of these recommendations or is a constructive convincing alternative needed that would adequately influence the people? The question may be put as follows: Where is the watershed between agreement with 'social partnership' and loss of initiative in formulating an important question and in response to the actual need among the workers to undertake the management of production?"⁷²

Later the Swedish Communists saw they had to concentrate more on this problem. This was seen in the party press and was reflected to some extent in the speech by L. Branberg in Leverkusen. The adoption by the Riksdag of the law on workers' funds faced the Communists with new problems, because, on the one hand, the rights registered in the law did not suit the workers and, on the other hand, capitalists and their political parties were already launching heavy attacks on these rights, curtailed as they were.

The Communist Party of Norway regards the participation problem as a very urgent one. However, as it was noted by Hans Kleven in an interview to *World Marxist Review*, the party, whose membership is small and which comparatively recently suffered a severe crisis, is yet unable thoroughly to elaborate a programme

of action in this sphere. However, in its documents the party speaks for the nationalization of the basic means of production and democracy in the sphere of production and for the workers' influence on management.

The party has come out resolutely against any attempts to deceive the working people by inventing all kinds of measures to make them believe they have common interests with capital. At its 18th Congress held in 1984 in Oslo, the Communist Party of Norway exposed the divisive purpose of the monopolies' ploy known as "wage earners' shares". This practice involves Standard Telefon og Kabelfabrik, Norsk Data, Norsk Hydro and some other enterprises. The Conservative Party passes this off as "democratizing the economy". But what it is actually after, wrote Hans Kleven, is to make the workers believe that they share the profits even though they do not really influence the operation of enterprises; it wants to undermine the workers' class solidarity and, last but not least, use their savings for monopoly ends. Tor Halvorsen, Chairman of the Norwegian Federation of Trade Unions, had every reason to say that "in this way the employers want to keep wage earners in a stranglehold".⁷³ As we see it, the CPN gives its constant attention to this problem, though it has not yet gained enough experience of action in the sphere of participation.

The above facts show that the communist parties of the Scandinavian countries adhere to similar positions at least on two points: they all have realized the importance of the problem, but do not yet regard it as a top-priority one; they have not yet fully elaborated a constructive programme on worker participation in management. But the facts show that the communist parties are prepared to tackle this problem thoroughly.

The positions of the French Communist Party and the Communist Party of Belgium deserve special attention. Both parties closely associate participation with self-management, which is their most important common feature.

Previously the French Communist Party believed that workers' participation in management at private enterprises was impossible in whatever form unless the existing social system was changed radically. In June 1973 the FCP Central Committee held a seminar, "Democratic Management and Workers' Intervention in Management at Enterprises". Outstanding party leaders put it straight at the seminar that participation by the working people in management is inconceivable unless they win political power and

the entire system of economic and social relations is changed radically. The nationalized sector was regarded as a basis on which the working people and their organizations will be able to build a new structure of production and management. The 23rd Congress of the FCP in 1979 clearly outlined a different position: the party recognized as participation bodies the factory committees not only in the nationalized sector, but also in the private one. At its 22nd through 25th congresses, the FCP formulated a new strategy of going over to "democratic self-managing socialism". It looked on self-management not only as a slogan of the future, but as a reality which is possible already today.⁷⁴ The party also regards active participation by workers in the operation of factories through their councils and committees as crucial for the development of self-management.⁷⁵ At the 24th Congress in 1982 the FCP described the path to socialism as a "democratic way of self-management".

Let us first consider the evolution of the attitude to participation (not to self-management) in recent years and what the FCP has proposed to that end. The 22nd Congress held on February 4-8, 1976, adopted a document entitled "What Communists Want for France",⁷⁶ in which it emphasized the need to "give democracy access to enterprises", because "democratization is a condition of efficiency for a modern enterprise".⁷⁷ According to this principle, every working man should have the right and opportunity to defend his interests and take part, directly or through delegates, in economic decision-making at enterprises. In practice, this right was supposed to be exercised through a factory committee consisting of workers' representatives elected from among trade union nominees and delegates from the management. The committees, said the 22nd FCP Congress, "without merging with management bodies, will have the right to exercise control over the management of an enterprise and take decisions concerning labour organization and labour protection".⁷⁸ The trade unions, for their part, should be entirely independent in their actions from management and control bodies and from the state, the employers and political parties. But these are the ideas of the future.

A detailed programme of urgent practical measures was set forth in the draft law on facilitating the working people's influence on the activities of enterprises,⁷⁹ submitted by a group of Communist deputies for the consideration of the National Assembly.

In the draft law all questions concerning workers' participation in management at enterprises have been formulated in greater detail. For instance, the section on the extension of the powers of fac-

tory committees says the committees should necessarily receive regular and detailed information from factory management on economic and social matters (on the budget, planned investments, purchases of equipment and marketing of output, wage rates, working conditions, job transfers, etc.). Article 14 of the draft makes it binding on factory managers to consult delegates of the personnel and a factory committee and also a trade union whenever labour intensity is going to be changed. Also the duration of leaves, wage scale and the promotion procedure are to be agreed with the committees or trade unions. According to Article 15, the enterprise should spend annually a definite portion of the wages fund on improving working conditions, having consulted in due time the factory committee, the labour protection committee and the trade union. The election of workers' delegates to factory committees should be organized, under the draft law, by the trade unions. It was planned to set up on the level of "groups of companies" (i.e., the biggest trusts) the group committees having the same broad powers as factory committees (obtaining detailed information, using the services of economic experts, and so on). It was planned also to form a trade union delegation on the group level, comprising trade union representatives in proportion to the actual influence of each trade union. A delegation would conduct negotiations with a company management on all questions concerning the working people's interests and sign collective agreements within a group.

A series of measures suggested by the French Communist Party is interesting in both the guidelines and the details. The General Confederation of Labour, in which Communists are in the majority, has come up with various proposals on many occasions in the past few years on workers' participation in production management, about which we spoke earlier in this book.

Addressing the symposium in Leverkusen Jacques Scheibling, a well-known FCP expert on this question, characterized the position the Party occupied shortly before its representatives entered the government. He said the employers would like to use for their own ends the desire of the popular masses for democracy at enterprises and for participation. Some employers call for participation in capital, in profits, in management, and the organization of labour and production. But these are disguised attempts to achieve class collaboration, largely in keeping with the old formula of alliance between labour and capital that had been proposed in France in the years of the Second Empire. Their purpose is obvious, said Scheibling. It is to try and legalize free enterprise and, relying on

the initiative of the working people, to make them take part in their own exploitation.⁸⁰ The stake on integrating the working class was manifest, in particular, in the widely known Sudreau Report. That, in Scheibling's view, was an attempt to find a remedy for the crisis and induce the working people to accept austerity under the guise of participation. "Participation on the German model" was criticized still more severely.⁸¹

Today, Scheibling said, the terms "participation" and "autogestion" (self-management) are used by the French Communist Party, the Socialists and even capitalists. But one can only speak formally of "joint" utilization, because from the standpoint of its content there is nothing in common between "participation" meaning that the working people have the possibility of actually taking part in management and in determining the direction of the country's socio-economic and political development at all levels and "participation" as it is interpreted by the employers, for whom it is a way of integrating the working class into their system. Similarly, there is nothing in common between reformist "self-management" and the FCP's approach to self-management. "From our point of view," Scheibling said, "participation and self-management are two of the aims of the class struggle."⁸²

A complex and in some way contradictory attitude to participation was, and still is, displayed in grassroots organizations, among Communist workers. This was seen, for instance, in an article carried in *L'Humanité dimanche* entitled "New Workers Have Come".⁸³ The newspaper's correspondent paid a visit to a factory of Dassault, a well-known aircraft building firm, in Val-d'Oise Department. This ultra-modern enterprise manufactures the famous Mirage fighter-bombers. There are about 1,700 employees at the factory and the proportion has changed in recent years sharply in favour of engineers and technicians. One of those interviewed, a Communist, remarked: "Now you can no longer speak simply of a working class or of hired labour in their classical meaning, as we used to speak of them before. The modifications of the production process have caused notable changes in the working class itself, which are seen with the naked eye."

But the changes have affected not only workers, but also technicians and engineers: their work and production operations have become different, which tells on their mentality and on their understanding of their role in production and in the class struggle. The working class, which has extended as new categories of hired labour have been added to it, he said, is now more accessible for

the penetration of the ideas of the employers and all sorts of reformist views. "Many of those who now belong to the working class consider themselves to be white-collars, and, besides, the management is doing all it can to make them believe they are a privileged section in the working class."

The employers take all these changes into account and are trying to use them to their own benefit. Communist workers have regarded yet another novelty in the same context: the so-called autonomous centres of production (*centres autonomes de production* — CAP). Here is how they function: every month all factory and office workers come together to consider questions that are of concern to them and voice their opinion. The Communists' response to that innovation was clear: the factory management wants to smooth out class problems and by-pass social contradictions. But then they were faced with the problem of how to react to the emergence of these autonomous centres of production?

Their first reaction was to refuse to take part in them, to frustrate that initiative of the employers, since that was clearly an attempt to build a system of class collaboration and establish at the enterprise relations between the workers and the employers without the mediation of the trade unions, in particular, without the General Confederation of Labour. Many still hold this view, the correspondent observed. But the Communists could not fail to see that many workers had accepted the employers' proposal, believing it would give them an opportunity for a more real participation in management. "We have underestimated the counter-offensive launched by the employers ... and could not properly respond to it at that time," said an interviewee to the correspondent. Bernard Groult, secretary of the federation, said in this connection: "We were adapting ourselves to the new situation at the factory quite slowly. In my opinion, others took advantage of our indecision. In particular, it gave the green light for the spread of reformist ideas among the workers of the enterprise. We certainly carried on the struggle in most different areas and scored considerable victories. But something prevented the workers from taking our stand."

The Communists at the factory, who constitute a fairly large group of 137 people, expressed also such opinions: "It was necessary to join actively the struggle for our goals through the CAP, and design new forms of struggle more quickly", to offer the workers new forms of participation in discussing production and social problems; "we failed also to assess the scope and quality of the techni-

cal and social changes at the enterprise"; we should have been constantly keeping pace with what was going on at the enterprise and, perhaps, decided in the process how to react to some or other problem. The working class has got used to fight on a concrete basis. To be effective, the struggle should pursue concrete goals, while the establishment of the autonomous centres of production was, no doubt, a concrete measure. This is a vivid example showing that Communist workers find it hard to grasp participation problems. I should like to stress again that the contradictory character of assessments is due to the contradictory and complex character of this phenomenon, which depends on concrete social, economic and political conditions and even on the general atmosphere at an enterprise.

In the situation of acute class struggle, on the insistence of the left-wing parties four laws were adopted in August through November 1982, which substantially changed labour legislation in France. Though these laws were called "Auroux laws" after the Socialist minister of labour, more than half of the new and more significant provisions, especially those concerning trade union rights, had been proposed by the General Confederation of Labour (CGT) and Communist deputies. The new provisions on the rights of workers and their organizations at enterprises largely exceed by their political significance and scope what had been achieved by the French working-class movement in this area before, though it must be remembered that these laws reflected the alignment of forces in the country and particularly in the left-wing majority itself at the time they were adopted as a compromise.

For the first time in the history of the French working-class movement the workers were given the right to have trade union organizations at enterprises employing not less than 50 people. This concerns over 6 million people working at medium and small enterprises. It was the first time a law made it binding on the management at enterprises employing over one thousand people to provide a trade union organization with required premises and equipment. Trade union delegates were granted the right to perform their duties in working hours — 10 to 20 paid hours a month, depending on the size of an enterprise. The trade unions received the right to decide on the text of leaflets and posters circulated by them at their enterprises without consulting the management.

At all enterprises with more than 20 workers an obligatory procedure is to be adopted determining, among other things, possible disciplinary actions to be taken by the management. In cases of dis-

agreement an arbitration commission elected by the working people from among trade union delegates may cancel an unjustified punishment. The laws forbid the management to sack workers for political views or trade union activity, for their race or nationality.

Broader, though, again, merely consultative, powers were given to factory committees. Their aim under the new legislation is "to ensure a collective expression of the employees' opinion, so that their interests be constantly taken into account in decisions related to the management of an enterprise, its economic and financial development, and organization of labour and production".⁸⁴

Factory committees were given the right to hold workers' meetings not only on issues related to the operation of their enterprises, but also "on other pressing problems", that is, general social and political problems. An attempt was made to restrict arbitrary rule by the management with regard to trade union activists who are often laid off. Now, before taking a decision on these matters the management has to ask the opinion of the factory committee and get the approval of an inspector on labour. The economic functions of the factory committees have been largely extended. The manager is obliged in principle to inform the committee on questions related to "organization and management, in particular, on measures that can cause changes in the size and composition of work force, in the number of working hours or in the terms of employment and work".⁸⁵

Under the new law the management has to inform in advance the factory committee on the plans and conditions of cutting down work force and on changes in the economic or legal organization at the enterprise. A month after the election of a factory committee the management must inform it about the organization of production and economic prospects of the enterprise, and about the situation within a corresponding monopoly group.

The law contains a new provision, under which the committee should be informed about the distribution of capital among the main shareholders having 10 and more per cent of the shares. Under the law the management is obliged to submit to the committee at least once a year a report on the economic situation at the enterprise, on the circulating assets, profit or loss, the main production results, investment, transfer of capital, the cost of production, prices, the use of profit, state aid or loans, the evolution of the structure and the size of the wage fund, and also on payment by the hour and monthly payment.⁸⁶

Every three months the manager should inform the factory committee about the existing orders and their fulfilment, about the financial state of the enterprise, the evolution of production, the plans to update the equipment and technologies and the consequences of these measures for working conditions. Factory committees now have the right to invite experts on social and economic matters and set up economic commissions. It is important also that now they have their own budgets. The management must contribute to it 0.2 per cent of the wage fund. And, last but not least, to help factory committees, shop councils and committees on working conditions, accident prevention and hygiene and also arbitration commissions are to be set up. Besides, collective agreements are to be signed annually between the management and the trade unions on payment, working conditions, length of the working day, etc.

In April 1983, the left-wing majority in the National Assembly of France adopted at the first reading a law on participation by workers' representatives in managerial councils at nationalized enterprises. One-third of the members of these councils, or 2 to 6 persons depending on the size of an enterprise, are elected by the employees. The same number are appointed by the government from among representatives of state establishments or the major shareholders of an enterprise. And the rest are so-called competent persons appointed by the government from among economists, financial inspectors and so on. The president of a managerial council is appointed, as before, by the government from among the council members.

As we see it, the proposals by the Communists and the CGT have been reflected in the new legislation, though far from fully. As estimated by the French Communists, the new social legislation is a "great positive change" in the very conception of the factory committee.⁸⁷ New opportunities open up for a more effective protection of working people's interests, for enhancing their social and political role. For the first time the working class has won definite opportunity to influence not only decision-making on wages and working conditions, but also on some major aspects of the operation of enterprises, in particular, the movement and functioning of capital.

The Communists emphasize that it would be a mistake on the part of trade union activists and workers at large not to use the immense potential that has been won and not to fight for its effective utilization, since it creates new political and material

conditions in the struggle for the interests of the working people, against the idea of "social consensus" and reformism. At the same time, the Communists increasingly criticize the employers and the government for failing to comply with these laws, especially after the Communists refused to be part of the government which often acts counter to the interests of the working people.

As they keep working on the concept of "new popular majority", on a way to overcoming the crisis and advancing towards socialism, the French Communists concentrate more on participation in management. Well-known researcher Jean Lojkin writes in his book *The Changing Working Class* that for the working-class movement participation in management is not optional, but is a necessity caused by the economic crisis which has upset the rules of the game applied at the time of economic growth.⁸⁸

The present stance of the Communist Party of Belgium on participation is associated, in our view, with the concept of "counter-power" advanced in the early 1970s by Marc Drumaux, the Party's president at that time. Attention to this idea, which was on the wane for a few years, has been growing again since the late 1970s.

The struggle for counter-power, according to this conception, "is carried on at all levels and in all institutions of the capitalist state, be it production councils (factory councils), parity commissions, communal councils, councils of agglomerations, regional councils, or administrative councils of some public institutions and educational establishments, as, for instance, universities... At all these and other levels there already exist, or will appear soon, ever more centres of counter-power comprising representatives of those who fight against the policy pursued by the monopolies (at enterprises these are most active syndicalists in factory councils and trade union delegations). Their objective is to use these organizations, which have been recognized by the adversary, to build up pressure of such intensity that would help resist the decisions coming from the present authorities and, if the alignment of forces allows it, even to impose diametrically opposite decisions."⁸⁹

Pointing out the significance of the mass movement for counter-power, Marc Drumaux wrote: "The goal is to set the stage for political change. By that time it will already be not counter-power but anti-monopoly power on the order of the day."⁹⁰

The programme of anti-monopoly action adopted by the Communist Party of Belgium includes a demand for workers' control.

The concept "participation", said Pierre Joye at the Leverkusen symposium, has several meanings. But the point is not in the word itself. In practice, too, participation may lead to very dissimilar results: it may bring about the working-class movement's integration into the capitalist system. But, conceived in a different way, it may become part of the working people's struggle for influence, for an extension of their rights, for broader democracy and advancement towards socialism.

In our view, said Pierre Joye, the working-class movement should not renounce any participation, talks and agreement with representatives of capital. It should not box itself up in the framework of fruitless denunciation of any intervention in economic life as long as capitalism exists. A successful strike ends with an agreement that presupposes, in particular, that there is an organization representing the working people, and with a recognition of its right to existence and representation. Joye sees the problem not in that representatives of trade unions and employers' organizations meet and argue and ultimately reach some understanding. He thinks that it is quite natural if representatives of two large socio-economic forces are constantly in contact, in confrontation and conduct negotiations, that it is even necessary.⁹¹

However, Pierre Joye stressed that workers' representatives in some or other participation bodies should not be responsible for the decisions taken in the framework of capitalist management. Under capitalism real power is not shared by the employers with the working people, it belongs entirely to the capitalists who run a system that operates in the interests of capital. The struggle carried on by the working people has enabled them to wrest from the capitalists the right to be informed, to state their own point of view in some or other participation system, in one or another form, but so far real power is entirely in the hands of the capitalists and the workers cannot bear responsibility for the way the capitalist system is run and acts in the name of so-called social solidarity. Such solidarity, Joye said, does not exist in a society where the classes have opposite interests. It is necessary to fight not only for more rights already now, but also to "bring down the system which we consider unjust, and build socialism".⁹²

This stance formulated by Pierre Joye reflects, as he said, the opinion not only of Communists, but also of other left forces, of the Belgian trade unions supporting the Communist Party or the Socialist Party. It is extremely attractive in its clear-cut class approach. In practice the Belgian Communists think it possible to

improve the already existing "pyramidal system" of coordination, they fight for every extension of the right of workers in this system and in participation in production management as a whole. In this sense their position is close to the conception of "conflict cooperation" (in its critical aspect) and to that of initiative (in the desire to use various forms of participation, including the institutionalized ones). At first sight it is not easy to class it within one or another of these systems. But what at first seems positive and attractive (to participate but not share power and responsibility) may turn out to be a weak spot, unless the use of institutional forms is fully renounced. In practice, especially in the economy, it is hardly possible really to influence decision-making without assuming any obligations and not bearing any responsibility. In fact, the workers will inescapably be confronted with this alternative: either to be content with information, to be merely present in management bodies and take no part in decision-making (what extension of rights can there be in this case?) or to win gradually, step by step, their rights and really influence decision-making, but then the concept of participation without responsibility falls flat. The Belgian Communists proceed from the really existing conditions and know they are unstable, and so they have chosen to reserve the right to act depending on the circumstances.

In the latter half of the 1980s, the "peace economy" concept became popular in Belgium in response to militarization of the economy. The struggle for democratic control over production is closely associated by the Communist Party with the struggle for a "peace economy". The Communists insist that appropriate means be found to control the entire system of information, to counter the manipulation of public consciousness. This can be done, in particular, by exercising control over the internationally organized actions of Big Business.

Now if we try to assess what we call a pragmatic approach to participation, we shall see that evidently its strong aspect is in concrete analysis of a concrete situation, in flexible adaptation to existing conditions and in broad opportunities for manoeuvre. But there inevitably arises the question of the future and, speaking about the parties mentioned above, they obviously strive to substantiate their concept of participation in the context of a broader party strategy, with due regard to the new situation the Communists had to face in the early 80s.

Participation and Self-Management

Lately, Communists in France, Belgium and other countries have been discussing participation together with self-management. Although they are obviously not identical, these concepts can be traced to the same roots. Self-management is perceived, although not necessarily consciously, by the working people as something quite opposite of hired labour which, as noted, is engulfed in crisis. It is also an alternative to increasing authoritarian practices of today's bourgeois state. The slogan of self-management largely meets the sentiments of broad strata of the population which are expressed in new social movements, in the desire of the masses to participate in everything and to make their own decisions rather than be represented by discredited politicians. The concept of self-management satisfies, in a general form, man as a worker, a citizen and a personality. For these reasons, self-management is now one of the most popular political slogans.

Some people, including trade union leaders, view self-management as the ultimate stage of participation. If it is essentially true that the working class will not be limited in its struggle to winning partial rights in management and will struggle for economic domination, then careful examination of what is implied by participation and self-management, of what are the supposed links between them and the ways of transition from the one to the other, raises many questions.

Self-management is now part of the arsenal of the most varied social and political movements including Communists, Socialists, Leftists. Even some French employers believe that the "self-management Utopia" must be met half-way. French Socialist Pierre Rosanvallon had good reason to give his book the title "The Age of Self-Management".⁹³ What complicates matters is that quite different things are implied by self-management in different cases. The controversy around this concept is underway inside as well as between various political movements. Outstanding sociologists suggest that this slogan remains attractive as long as it is abstract and thus inapplicable.

Some see self-management as an integral social system while others as an element of economic relations, notably within an enterprise. Still others view it as a general principle, a general line of social development which is nurtured exclusively by initiatives at the grassroots level. Some reduce the concept to the workers' takeover of factories and to municipal and cooperative self-admin-

istration. Fairly complicated theoretical and ideological issues arise. Consequently, a few essential points must be made.

In Marxist eyes, self-management is by no means a "new concept in contemporary politics" or "a brainchild of the 21st century", as Rosanvallon writes. It is above all a scientifically legitimate concept that was raised by Marx and Engels and thoroughly explored by Lenin. What is more, this concept is implemented in real revolutionary practice, in building a new society.

Public self-management was viewed by the founders of Marxism-Leninism as an integral system which would take over from the socialist state. It was regarded as a high stage in the development of socialist society at which the state withers away, as it becomes unnecessary because there is no need for coercion since classes and inequality would cease to exist. At the same time consistent management systems would emerge, run by all members of society at every level and in every sphere. This is the essential political aspect of the issue. Economically, hired labour which results in alienation of the surplus product from its producer, would be replaced by "a community of free individuals carrying on their work with the means of production in common".⁹⁴

Such conditions do not obviously emerge immediately after the takeover of power by the working people. Even significant advances in building a new society in socialist countries have not made conditions ripe for the wholesale implementation of self-administration, notably for the withering away of the state.

On the other hand, it is by no means accidental that the concept of self-management is used and increasingly thoroughly explored in socialist countries. The road to communist public self-management, a social system in which the role played by the state first radically changes and then gives way to other public institutions, does not go across some desert or along a strict boundary between one state of society and another. A system of public self-management begins taking shape immediately after a socialist revolution. What, however, is the talking point if the time is not right for full implementation of the concept? Speaking of some elements of self-management seems to be proper here. Rather than in an alien, capitalist environment, elements of public self-management which are to be fully implemented in the future, are created in the environment where a new society is built. For this reason, the political and theoretical vocabulary includes the concept of "socialist self-management by the people" which reflects a certain stage in implementing the Marxist-Leninist concept and is associated with

the first stage of the new social system. The goal of increasingly full implementation of socialist self-management is formulated in no uncertain terms in the documents of the Communist Party of the Soviet Union according to which it will grow into communist self-management as conditions change.

This is obviously a large and complicated question which will be treated here insofar as it is related to the basic objective of the book.

First of all, how do the French Communists visualize the transition to self-management and how do the Belgian trade unions, supported by the Belgian Communists, visualize "transition from the workers' control to self-management"? At the 23rd Congress of the French Communist Party, the concept was formulated in more general terms: France needed a "democratic self-managing socialism". In explaining this concept and its genesis, the French Communists wrote that the idea had been used back in 1968 by French Socialists and leftists. "The objective political operation was clearly to use self-management as the pretext for removing the question of capitalist property from the agenda, push the working class and its organizations out of the political arena, and find a way out of the crisis in a conspiratorial alliance of a third force with the right. That motivated our resolute stand against this political operation."⁹⁵ What has changed is that the Communists now do support self-management but not of the kind that the Socialists had in mind.

The Communist Party believes that the concept of self-management has a strong mobilizing potential even today, not alone in the future. Self-management is not, in the words of Jean-Claude Poulin, just a long-term goal "which is to be realized one day when all the conditions are right".⁹⁶ Rather, this is a way of public life which is being and will be developed in the struggle against capitalist domination and for democratic advances. "This struggle is already on. It is life that calls for it, for instance, at enterprises where the employers make use of new forms of exploitation or where the Communists effectively take offense across the terrain of the rights and powers of the workers to have a say on their own conditions of activity."⁹⁷ The point of view that self-management is a means as well as a goal has been expressed at the 24th and 25th congresses of the French Communist Party.

A better idea of the views of the French Communists is provided by the proceedings of a workshop sponsored by the Institute of Marxist Studies under the Central Committee of the French Com-

munist Party, on "Self-Management: Revolutionary Strategy and Today's Activities".

In her opening address, Francette Lazard, member of the Politbureau, stated: "We place self-management, in effect, in the perspective of a revolutionary change of French society, of a social change which will advance democracy farther than at any time; which will give rise in every field to new social relations meeting the concrete needs of a concrete society, viz. France engulfed by the crisis of the 'eighties'."⁹⁸ She emphasized that the slogan of self-management was linked with "the development of democracy in all its dimensions, in all its potentialities, ... democracy as a means and a goal, the main battlefield in the class struggle". The decision made by the 23rd Congress which included the slogan of self-management into the strategy of the French Communist Party, on the one hand, was dictated by the experience of the revolutionary struggle and Communist ideals and, on the other, countered the endeavours of Big Business and its state to have the class struggle and the achievements of the working-class movement phased out. It opposed the preaching of "the old ideas of class collaboration rebaptized as the consensus, joint management, and even 'self-management' of the crisis".⁹⁹

The French Communists made it known that their vision of "democratic self-managing socialism" needed updating and remains open to discussion. The workshop concentrated on the following questions:

—should self-management be viewed as the ultimate result of revolutionary changes, i.e., a Communist ideal?

—should self-management be regarded as a revolutionary strategy which links the ideal with the class struggle and political choice of today?

—should self-management be seen as the practice of the current period, a specific response to the crisis of capitalist society or as a forerunner of a distant future when the productive forces will grow and the personality will be socially emancipated?

Some participants of the workshop directly linked self-management and participation. Paul Boccara, an eminent French economist, emphasized the need to study thoroughly the numerous conceptions and existing models of participation, which was important if self-management was to be run properly. "What annoys me in the debates," he noted, "is the ease with which these models are opposed to self-management."¹⁰⁰ A few years later he was more categorical: "There can be neither new growth nor self-managing

socialism without involvement of the working people in managing the enterprises with the criteria of social efficiency."¹⁰¹

In analyzing the basic issue, whether self-management is an ideal to be implemented after a long struggle or a reality within reach even today, Boccara sees a dialectic contradiction and unity of the two propositions. On the one hand, "self-management is opposed in its principles to all those of capitalist society"; on the other, this "polar opposition ... does not preclude movement towards this goal today".¹⁰²

Boccara warns against the illusion of "abolishing the state immediately or in short term".¹⁰³ He presumes that a society of "self-managing socialism" will abide by the following principles:

(1) decision-making by every individual rather than through delegation;

(2) decentralized and autonomous making decisions and implementing them as opposed to centralized power and its alien bureaucratic machine;

(3) the pyramidal structure of hierarchic increasingly narrow echelons will be replaced by horizontal participation of increasingly large circles starting with the base circles which continue active participation, or permanent involvement in self-management;

(4) complete rotation of personal responsibility.¹⁰⁴

All these principles are formulated as hypothetical. Boccara emphasized that even at the most advanced stage of self-management, conflicts of its elements and principles would be inevitable, such as the representative system and "direct power". It would be necessary to find the best possible way to reconcile them. This may be done, in his view, by expanding the control and effective participation of the electorate in parliamentary activities. Another French researcher, Jérard Simon, also believes that direct and representative democracies will have to be combined. In his view "self-management ... as a form of direct democracy is Utopian, i.e., a legitimate ideal for which to work".¹⁰⁵

Communists oppose the concept of "self-managing socialism" to both "bourgeois technocratic" versions of participation and to self-management designs of the Socialist Party and of the extreme Left. Thus, Guy Pelachaud feels that the deepening capitalist crisis compels those in power to look for ways to a social consensus and "to try meeting some demands of the working people in order to draw them into managing the crisis".¹⁰⁶

Self-management in the Communist way is today, according to Pelachaud, "a democratic policy which carries through a policy of

profound structural reforms of the economic basis and of the state machinery to put an end to bureaucratic totalitarianism ... and make possible liberation in the economic life".¹⁰⁷ By contrast, Jean Lojkin feels that "self-management is rather what Marx referred to as communism, the end, or, better to say, the ultimate goal. Should we not do some thinking on different stages and different thresholds of self-management?"¹⁰⁸

The speakers emphasized the tactical and strategic guidelines of the Communists who view self-management, starting with the factory level, as the basic cell of industrial advanced society. "We place no limit whatever on the right of the working class to share in management."¹⁰⁹

The discussion has thus demonstrated the complexity of the issue.

The 25th Congress of the French Communist Party has shifted emphasis in the treatment of self-management and formulated new strategic guidelines. Leaving out the staged transition to socialism through "advanced democracy", the Party highlighted the role of the class struggle, of advanced masses in achieving socialist goals, and of uniting most of the people in the struggle for resolving the crisis and a democratic advancement to these goals.

Both the French and Belgian Communists oppose the simplistic view of self-management which is widespread, in particular, in trade unions. A well-known Communist researcher Francis Cohen writes in an article carried in *La Pensée* journal that the term "self-management" should be used with utmost care. It may sometimes have quite different implications, because we are not dealing with an established system, but with different implementations of one common principle.¹¹⁰ Pierre Joye argues that true self-management "can only be the result of profound changes of the entire economic and political system, specifically, of property in the means of production". Self-management must not be equalized with seizures of factories by the workers "who showed quite successfully their ability to manage production, at least its technical aspect... But it must be seen that all these attempts at self-management do not threaten the capitalist system. These attempts very rarely last more than a few months. The reason for this is that action is taken under obviously unfavourable conditions—at enterprises that are already half-way to ruin. The entire climate of capitalist society, of the capitalist economy, is against them."¹¹¹

Joye reminds us in his article, "Self-Management and Joint Management"¹¹² that in the inaugural address on the occasion of

establishing the International Working Men's Association, Marx emphasized the advantages of the cooperative movement but at the same time warned against integrating production associations into the capitalist system: "To save the industrious masses, co-operative labour ought to be developed to national dimensions... To conquer political power has therefore become the great duty of the working classes."¹¹³ History has confirmed, Joye writes, that "islands of socialism" in capitalist society are non-starters.

The resolution on workers' control growing into a self-management system, adopted by the General Federation of Labour of Belgium in January 1971, won broad support, in particular, by the convention of young Socialists in April 1974 and the Congress of the Belgian Socialist Party in November 1974. The Socialists upgraded self-management to the ultimate goal of social development. In a number of cases, however, such as a declaration adopted by the Social-Christian Party in May 1976, the transition to self-management is viewed as the evolution of the participation or joint management (*cogestion*) system. Joye notes that self-management and joint management (like the West German *Mitbestimmung*) are essentially different, for the former is associated with radical social changes in the ownership and power, while the goal of the latter is to integrate trade union organizations into the capitalist system. "Joint management does not threaten the system."¹¹⁴ While participation confines the activities of the workers within the boundaries of the capitalist system, "worker control is aimed at expanding the zone of activities where the working people make quite autonomous decisions".¹¹⁵ But, Joye points out, worker control is not a goal in itself. It offers the possibility to advance to self-management which would require profound changes of the economic and political system.

Joye's reasoning is certainly basically sound because it would be wrong to confuse self-management as a conception of a social structure, a system of economic and social relations, with attempts to launch cooperative production in the capitalist environment. In his article, "On Cooperation", Lenin convincingly proved that cooperation in itself, team production in itself, in the context of the capitalist system and capitalist relations, can bring about nothing but capitalism.¹¹⁶ Essential changes cannot work without the triumph of the new, socialist system in which cooperation begins an essentially new life and in which it can indeed be a stage on the path to self-management.

Consequently, even if they emerge in some form in capitalist society, both cooperation and self-management are bound to remain its attributes and never become "elements of socialism" unless socialism itself is brought about by revolutionary changes in the bases of the capitalist system and the fundamental issues of property and power are resolved.

Still, the struggle for the expansion of working people's rights in all spheres, a struggle under self-management slogans waged along a broad front in factories and in housing estates, may convince the masses of the need for radical social changes and, in the final analysis, facilitate them.

Roger Dafflon, member of the Politbureau of the Swiss Party of Labour (SPL), and former Mayor of Geneva, offers the following reasoning on using the existing local self-government bodies for the short- and long-term benefits of the working people. First, despite the limited potential of the local self-government bodies under capitalism and the dominant position of bourgeois parties there, these bodies can be instrumental in the struggle for social progress even within the framework of the existing social order. They can also be used in opposing the anti-people's policies of governing circles provided that Communists succeed in bringing continuous pressure to bear on the administrative bodies by the people, in fighting for expansion of their social functions and by Communists allying themselves with other parties of the Left and with the democratic organizations. Secondly, the vigorous municipal activities of the SPL, its direct appeal to the people and its campaigns involving various public movements enhance the politicization of the working people, unleash their initiative and make them more receptive to the goals the Communists set themselves. The efforts made by the SPL in rallying the working people of most varied political convictions, trade union and social movements, which pursue limited goals, in support of specific demands are helpful in gradually involving them in the anti-monopolistic struggle and to the formation of a broad united front working for profound economic and political changes in the country.¹¹⁷

This most serious question requires in-depth theoretical and experimental probing. Public self-management is not merely a political slogan but a scientifically legitimate concept which needs, in the words of Engels, scientifically sound handling.

The Revolutionary Perspective and Participation

In developing their position on participation communist parties view it in terms of a revolutionary perspective and take into consideration the role that it should play in the context of a revolution, and more specifically, whether it can contribute to (or impede) the consolidation of popular power following its establishment and to what extent it can assist revolutionary social transformations, particularly in the sphere of economic relations. The following question is also raised: in what way can the long-term objectives and the future role of participation be taken into account in the current struggle of the working class to extend its rights in the production sphere under capitalism?

Revolutionary experiences provide abundant material for generalizations. Lenin's ideas concerning workers' control and the participation of popular masses in management were confirmed in the course of Russia's socialist revolution and then in other countries. Considerable attention is drawn today to the experience of Portugal and Chile, which is novel, difficult and quite contradictory. It is especially persuasive because it has been accumulated in modern conditions that are familiar to persons who are currently seeking answers to questions concerning their own future. It seems important to consider that experience, particularly since the problems of participation that emerged during the revolutionary events in those countries are still insufficiently discussed in literature and present many "blank pages".

Portugal's Communists believe that workers' control and participation are of exceptional importance in the development of the revolutionary process.

The participation of workers in production management at the level of enterprises and branches of industry became possible in Portugal following the fall of the fascist regime (April 25, 1974). Portuguese Communists have noted that it is directly associated with revolutionary transformations, the dismantling of Portuguese monopolistic groups and the establishment of a wide economic sector consisting of nationalized and government-controlled enterprises, mixed enterprises, workers' cooperatives, self-managing and collective production units and cooperatives that developed as a result of the agrarian reform.

The participation of workers in managing the economy was an outcome of the class struggle and at the same time it became an

important instrument in transforming the economy and in the struggle against reaction. Portuguese Communists place particular emphasis on the point that participation contributed to such a major revolutionary achievement as the nationalization of monopolies. In that connection several stages are distinguished in the development of workers' control and participation, that correspond to the stages of the Portuguese revolution.

The participation of workers in production management began, on the one hand, in connection with the struggle against economic sabotage by monopolies, owners and managers of enterprises, and large landowners, who did not want to accept the new political situation in the country, and, on the other, in connection with the need to dismiss large-scale employers and their associates who displayed profascist sentiments. Alvaro Cunhal, General Secretary of the Portuguese Communist Party, has noted that "workers' control emerged in the course of Portugal's revolution not only as the implementation of a political plan or programme, but also as an urgent necessity in protecting democracy, economic activity, and employment itself. Initially the intervention of workers in the activities of enterprises took the form of uprooting the rule of fascists and their direct agents... As an outcome of the process itself the function of vigilance and control was passing into the function of management..."¹¹⁸ It is that merging of phenomena that explains the fact that Portuguese Communists do not draw a clear distinction between the concepts of workers' control and of participation.

During that initial period¹¹⁹ the tasks of protecting jobs and national economic interests were formulated.

A system of self-management was established by workers at hundreds of small and medium-sized factories abandoned by their owners. Under the pressure of popular masses the first decree was published concerning direct state participation in the economy. This subsequently led to the emergence of a wide sector of state-controlled enterprises. The establishment of control over banks played an especially important role for this made it possible to uncover various instances of financial sabotage and of financing by banks of reactionary parties engaged in conspiratorial activities. In this connection the Portuguese Communist Party's theoretical journal *O Militante* noted that in the provinces of Alentejo, Ribatejo, and Estremadura and in Beira Baixa a decisive contribution to the implementation of the agrarian reform was made by unitary organizations and in particular by workers' commissions of collective production organizations.¹²⁰

The second stage began after March 11, 1975, when nationalization was carried out and a fairly large non-capitalist economic sector developed. During that period there was a wide and substantial participation of workers in making decisions relating to production, including discussions of projects to achieve a restructuring in order to overcome economic difficulties and increase the productive capacity of enterprises. During that stage participation takes the form of discussions of the country's major economic problems and of concrete proposals relating to reducing imports, increasing output, and coordinating the great variety of economic activities. At the same time, the principal characteristics of the preceding stage continued to operate, including what came to be called "vigilance within private enterprises". Upon notification from workers the government had to intervene in the management of many enterprises.

The beginning of the third stage was marked by a shift to the right that was especially pronounced after the creation, on July 23, 1976, of a one-party government of the Socialists. At that time workers' control became exceptionally important in preserving and maintaining a dynamic development of nationalized, mixed and self-managing enterprises and in working against a return of property to its former owners — capitalists and big landowners. At the symposium in Leverkusen Antonio Correia stated that during that period "workers' control developed as an important instrument in mobilizing the participation of workers in a battle for the economy (in opposing attempts to return the former properties to capitalists) and for national independence (in opposing a growing economic and political dependence that results from compromises with right-wing groups)".

The Portuguese Constitution, adopted in April 1976, in Article 56 formulated the rights won by the working people in the sphere of economic management. It defined the role and functions of workers' commissions. They have the right to receive any information that their activities require; to control the management of enterprises; and participate in the reorganization of production units and in the drafting of labour legislation and of socio-economic plans relating to their sectors. A decree of April 8, 1976 defined a standard charter for state enterprises that provides for control over their management and workers' intervention in the implementation of their activities. The charter affirms the right of workers to appoint representatives in the enterprise's two social organs — its board and its supervisory commission. Subsequently a struggle de-

veloped around that decree, that produced, as Portuguese Communists note, contradictions within the control system.

Initially control over management developed at individual enterprises. But workers were quick in developing forms that made it possible to coordinate the actions of controlling bodies. Coordinating commissions were set up in such industries as heavy engineering and light engineering, shipbuilding and ship repairs, and construction. Subsequently, following the offensive against the revolution's achievements, successive governments refused to recognize these bodies, even though their establishment and activities fully correspond to clause *d* of Article 56 of the Constitution.

The sphere of application of control differs considerably depending on whether it relates to a nationalized enterprise or a private one, to a self-managing enterprise or a collective production unit in the agrarian reform zone. It depends on the level of consciousness and of organization of workers, and on the character of relations between workers and the management at each enterprise. Generally it may be said that control over management develops along two dimensions: (a) the management policy of the enterprise; and (b) conditions of work at the enterprise.

A serious problem in both Portugal and Chile concerned the interaction of control and participation bodies with trade unions. In Portugal control over management is effected primarily by workers' factory commissions. Communists hold the view that trade union bodies cannot replace these commissions' specific functions, even though they did play an important role in implementing concrete measures of control over management. In the political resolution of the PCP's Eighth Congress it is noted that "the activities of workers' commissions have confirmed that they complement rather than duplicate or compete with the activities of trade unions and it is desirable that an increasingly close cooperation develop between them".¹²¹

In evaluating the significance of workers' control and participation in management Alvaro Cunhal wrote that they "have influenced the entire revolutionary process and have become a powerful instrument for transforming economic structures"¹²² and that they have contributed to the "maturing of conditions for nationalization and the opening of a socialist perspective".¹²³ Although a great deal still remained to be done, as subsequent events have shown.

The struggle around workers' rights in the sphere of production management and for protecting the institutions of control and par-

ticipation, created by the revolution, continued and still continues, for the rights achieved in that sphere represent one of the most important achievements of the Portuguese revolution. At the same time, workers' commissions at enterprises play the role of an important factor in support of the revolution and impede a dismantling of its achievements by regressive tendencies.

In many respects the somewhat earlier developments in Chile proceeded along different lines, yet the conclusions drawn by Chilean Communists concerning participation generally coincide with those of Portuguese Communists.

The plenary session of the Central Committee of the Communist Party of Chile, held in August 1977, was devoted to an analysis of the lessons of the Chilean revolution. It identified errors and failures of the Communist Party of Chile and placed particular emphasis on two points. First, the Party was successful in developing its political line for the entire period that led to its partial access to power and also for the initial period of the popular government, but it had not worked out with sufficient precision its line for assuming full power and effecting a transition from one stage of the revolution to next one, which would have made it possible to effectively build socialism. Second, Communists did not elaborate a corresponding military policy.

Let us leave aside the issue of the military policy, although it unquestionably played an exceptionally important role in the subsequent course of events but goes beyond the framework of our present theme. Let us consider certain questions concerning the Popular Unity Government and the line of Communists on the "second day" of the revolution, i.e., the period when its victory is being consolidated and a transformation of the economy for the benefit of the working people begins.

It was the opinion of Communists that at that point economic issues acquired decisive importance in consolidating the positions of popular power, yet, as they themselves admitted later, they were unable to solve them in an appropriate manner.

They rightly noted that the property issue was one of the major questions of the revolution, particularly from the point of view of a socialist perspective and of a transformation of working men from hired workers into persons who are in control of production activities. Subsequently, economist Hugo Facio, member of the Party Political Commission and Central Committee secretary, pointed out that the Popular Unity Government avoided the error of the Paris Commune, noted by Marx, of not expropriating the ex-

propriators. In the case of Chile this was done, even though with certain omissions, that were attributable primarily to the petty-bourgeois circles. Nationalized were large-scale enterprises in the copper mining and iron-ore industries, phosphate, coal and cement industries as well as nearly all banks. The government established control over 90 per cent of all exports and 60 per cent of imports. That was the basis on which a public property sector emerged that served as the foundation of the new economy. Yet in practice the Popular Unity Government and Communists in particular did not take into consideration the point that one cannot simply reduce the creation of a system of new economic relations to a legal act of nationalization and that the process of transforming private property into public property must be carried out not only *de jure* but also *de facto*, and that this requires an entire set of measures. Among them a decisive role is played by creating a mechanism ensuring the economic rule of workers, one that makes it possible for them to realize in practice their rights of owners of the means of production.

Addressing a conference on the dialectics of the economics and politics in revolution, sponsored by *World Marxist Review*, José Cademartori, who was minister of the economy in Salvador Allende's government, noted that "as a result of a one-sided emphasis on the correct proposition that socialism is a collective ownership of the means of production the view came to be widely held that it is sufficient to expropriate or confiscate enterprises to create bastions or at least developing elements of socialism. But in fact a certain time was required in order to alter the character of property, transform the enterprises' internal structure and their mode of functioning, to enhance the role of workers ... and introduce a new socialist labour discipline."¹²⁴

One sometimes hears that Chilean Communists and the Popular Unity Government were unable to bring to the consciousness of workers the fact that the revolution had brought a radical change in their position and that their struggle, accordingly, should acquire a qualitatively new content. In connection with the solving of general tasks of the working class and of the entire people and with the historic achievements that could be greatly increased as the government consolidated its position, a further improvement in the living conditions of workers, beyond the substantial redistribution of the national income in their favour that had already taken place, should have therefore been effected through the growth of output and labour productivity.

Gladys Marin, a member of the Political Commission of the Communist Party's Central Committee, noted that some trade union circles who supported the government failed to understand the qualitative change in the situation and continued to be guided by old slogans and to take advantage of the close attention with which the country's leadership now viewed workers' demands as well as of the weakening of the arbitrary rule of the owners. Undoubtedly, this contains an important measure of truth. It is also true that representatives of the extreme left wing and in particular the Organization of the Left Revolutionary Movement that was influential among them, oriented themselves on an abstract postulate concerning the "socialist character" of the revolutionary process and sought to artificially bypass necessary development stages of the revolution. They opposed the slogan of the Communists and the government that called for assigning priority to increasing output and labour productivity, with their own slogan to the effect that increasing output should be the task of capitalists and not the people. Still, however important the activities of the Party in clarifying this issue, as was also the ideological struggle that developed at that time, in particular against the extreme left-wing views, Chilean Communists consider that it would be misleading to limit the subsequent analysis of these events to a narrow ideological approach. In order that workers may develop a sense of being in charge of production and concern themselves not only with their own consumption but also with the expansion of production and with economic development, much remains to be done before they can be truly placed in the position of responsible decision-makers in production and before conditions are created under which they would feel that a fundamental change has taken place in their position by comparison with what it was under capitalism.

While a clear boundary between the old and the new, between the past and the present can hardly be sensed by workers immediately after a revolution as a change in their material situation, much can be done immediately in changing their position within the management system. This explains the emphasis that is placed by the leaders of the Communist Party of Chile in their articles concerning the revolution's lessons, on shortcomings in bringing popular masses to participate in the management of the new economy and on the failure to meet the challenge of the times.

Chilean Communists point out that immediately following the creation of Salvador Allende's Government for the first time in

the country's history workers began to participate in the management of numerous enterprises. Many of them were appointed managers and administrators of industrial enterprises, others began to direct government agencies, became members of governing boards of banks, represented the executive power in communes, departments and provinces, or assumed the duties of ministers and ambassadors. Administrative councils were formed at state enterprises and supervisory committees were established at many private enterprises. A large number of councils on supply and price control were established, and a system of people's inspectors began to develop, who were elected by trade unions and supply councils. A national trade union centre contributed to the establishment of its councils in individual industrial zones. A national economic plan for 1974 was being developed with the participation of the popular masses. Yet Luis Corvalan, General Secretary of the Communist Party of Chile, noted that these incipient elements of a new form of power were inadequately developed.

It is noteworthy that the government's activities were successful above all in those enterprises in which workers assumed a large measure of responsibility in production management. Wherever this did not take place the government encountered anarchy that impeded production, and what was even more dangerous, damaged the authority of the government.

Chilean Communists note that a major error was the creation of new institutions for the participation of workers in production management outside the framework of trade unions. This impeded the effective involvement of workers in management, and also contributed to the development of the distorted view that trade unions should not participate in managing enterprises and their role is merely to advance economic demands.

The ambiguity of the concept of workers' participation in management made itself felt on the "second day" of the revolution. While some workers contributed to establishing a powerful state sector in the economy, to increased production and productivity of labour, others only made economic demands which could not be satisfied within the means of the government.

Economism, which did much harm to the Chilean revolution, can be traced to the fact that politicized workers had not become full masters of the economy. The leaders of the Communist Party made it clear that this, rather than ideological weakness, prevented the working people from comprehending the changes,

the trends of development and the role they could play in the revolutionary transformations of economic relations. In the new situation, the working people still followed the logic of hired labourers who oppose the "employers".

The recurrence of such phenomena in Portugal and in a number of other countries makes it clear that they were not accidental. Communists in many countries have understood the importance of developing the concept of participation in today's context, at the stage of democratic changes, and following a victorious socialist revolution. In particular, "Our Democratic Design", a document signed by the General Secretary of the Communist Party of Chile, emphasized, "It is important to make progress ... with respect to agreements on popular participation. The people must have the right to participate in all social events directly or through their representatives. Direct participation must become a fact on all state management bodies, in factories and in the services. In particular, the working people, through their trade unions, federations and confederations, must participate in managing supplies, control, planning, and in running the national economy."

Certainly, in Chile and in Portugal participation is viewed in the context of revolutionary events and, therefore, not as independent important issue. But the experience of these countries confirms the conclusions on workers' control and participation drawn after the socialist revolution in Russia and elsewhere.

What is more, the sum total of revolutionary experience suggests that transformation of capitalist economic relations into socialist relations is an integral process which incorporates both the legal act of nationalization and the generation of a system of relations which make the working people masters of the economy. In effect, a system of comprehensive participation of the working people in the economic restructuring along new lines and in its management on all levels and at every stage of the revolutionary process, must be set up.

Today to make public property dominant in most general terms is no longer sufficient. It was the founders of Marxism who emphasized that nationalization in itself does not make a transition to a new society inevitable. Economic socialization in the form of concentration and centralization of capital, according to Engels, compels even the bourgeois state to take over the production and distribution in some sectors of the economy. This, however, by no means signifies "a step towards socialism". Engels criticized persuasively and sharply the deliberately distorted or flagrantly vul-

gar approach to this issue: "Of late, since Bismarck went in for state-ownership of industrial establishments, a kind of spurious socialism has arisen, degenerating, now and again, into something of flunkeyism, that without more ado declares *all* state ownership, even of the Bismarckian sort, to be socialistic. Certainly, if the taking over by the state of the tobacco industry is socialistic, then Napoleon and Metternich must be numbered among the founders of socialism."¹²⁵

He insisted that "the transformation, either into joint-stock companies [and trusts], or into state ownership, does not do away with the capitalist nature of the productive forces."¹²⁶ State ownership of productive forces does not resolve the conflict of labour and capital although "concealed within it are the technical conditions that form the elements of that solution."¹²⁷

Now, the share of state-owned enterprises is fairly large in the French, Italian and Austrian economies. It is still larger in the credit and financial institutions of numerous countries. Nevertheless, these countries have made no move towards socialism, for the state sector has come into being for the very reason that, in most cases, nationalization played into the hands of monopolies. The conflict of labour and capital remains the essence of economic relations in those countries. Nationalization today, to a still greater degree than at the time of Lenin, serves those who possess the state power.¹²⁸

Now, that considerable experience has been accumulated in building socialism and lessons can be derived from the experiences of the revolutionary movement with its latest triumphs and defeats, it is increasingly obvious that the concept of "domination of public property" needs profound analysis and clarification of each of its three components.

To begin with, what does "domination" imply, what are its criteria, and in what conditions does it actually exist? This analysis is essential if proper lessons are to be drawn from the Chilean events. The establishment of a public sector was a major event. "However, the public sector," as José Cademartori wrote, "did not become dominant because some of the major monopolies were left outside it and also because no scientific methods of managing this sector had yet been devised, nor was there adequate experience in carrying on commercial operations. In addition, the bourgeoisie did its utmost to undermine enterprise management."¹²⁹ Indeed, the state sector, although large, could not integrate other economic sectors or subordinate them to tasks specified in the

programme of National Unity. On numerous occasions, the black market overtook the supplies and left them in disarray even though the state sector was strong and included key economic positions.

This example alone shows that "domination" is not defined exclusively in quantitative terms. Numerous economic and political factors shape the picture. For every party the scales, rates, and forms of legal socialization which would guarantee domination of public property and thus lead to a stronger popular power and improvement of the working people's standard of living, must be discussed in the specific context. These issues are not resolved by economic expediency alone which is dictated by the extent of economic socialization, but also in the political context.

Domination of public property cannot become a reality unless it truly directs the development of the entire economy which is subjugated to the formulated goals of the revolutionary government, the state sector channels the development of all other sectors for these goals, the private sector cannot disorganize the economy (which the reaction does for political purposes) or reverse the movement. This is a major prerequisite for consolidating the revolution. The scale of nationalization is not the only decisive factor, for much also depends on the ability of the new power to manage the entire economy and the reliability with which the working people help it at every factory.

Now, what does "public" imply in practical terms in reference to property? This concept has been fairly profoundly explored by Marxist scholars, especially in socialist countries. Therefore only two aspects will be outlined here.

First, it follows from Engels's remarks that "state" ownership is not equivalent to "public" ownership. When the working people are in power the property becomes truly public and used for the benefit of the working people, provided that a democratic management system runs the entire economy at every level. Consequently, the working people must become the owners in real, as well as legal, terms. Proper mechanisms must be set up for this purpose.

Second, Communists attach importance to cooperative as well as state property. The cooperative movement is known to be very strong, notably in Portugal and not only in the course of the land reform. Indeed, to overcome the resistance of factory owners, the workers took over the factories and initiated cooperative production. This option also needs analysis.

Finally, the very concept of "ownership" is regarded by Communists not only in formal legal terms but as a totality of economic, legal, and socio-political elements, a totality of relations in society. Another, simplistic, approach has led to detrimental consequences. José Cademartori as was noted said that narrow treatment of the important formula that socialism implies collective ownership of the means of production, has culminated in the view that expropriation or confiscation of factories would make them bulwarks or sources of socialism. In real life, however, numerous many-sided measures are required to change the entire spectrum of economic relations.

It has become obvious that development of economic programmes cannot rely any more on the most general conclusions of the founders of Marxism-Leninism on the economic and political structure of the new society, conclusions which were derived from the trends in capitalist society of those times. We should learn more from the practical experience which simply did not exist at the time of the trail-blazers of the socialist revolution. Today the words of Karl Marx, "People! Make up your minds as to *details*, as well as to principles, before you come to power",¹³⁰ are probably as relevant as never before, especially for the communist parties, the vanguard of the working class, of the working people.

The programmes of the communist and workers' parties call, as a rule, for two integrated steps, socialization of the means of production (to a degree which depends on the actual situation), and democratic supervision of their use, workers' control, participation in management in the course of anti-monopolistic, democratic, and socialist change. On the other hand, there are differences in formulations, in approaches to nationalization and introduction of democratic supervision, but these two aspects of economic changes are invariably in the focus of attention. Georges Marchais, General Secretary of the French Communist Party, noted, "We are not fanatics of nationalization. But to make the essential levers of the economy the property of the nation as an entity, is undoubtedly the *essential condition for change*. For this is the tool, the only tool to direct the activities of decisive sectors of the economy for the purpose of serving the needs of the country and its people, not the particular interests of the few."¹³¹ Simultaneously with nationalization, the French Communist Party, as was noted, calls for the democratization of economic management from the top planning echelon to factories in the nationalized and private sectors. It links nationalization with self-management. This approach

is manifest in the book by Philippe Herzog,¹³² member of the Politbureau and a prominent economist, and in the writings of Lucien Sève, a Party theoretician who states: "New nationalization may be instituted by a governmental decree and a parliamentary vote but if the workers do not support it on all levels, the factories will be managed as private multinational corporations which nurture rather than combat the crisis. The recovery from the crisis, advance towards socialism will be *self-management or not at all*."¹³³

The German Communist Party in its programme makes the socialist future contingent on socialization of production and the new role of man as its owner. Nationalization and participation are demanded in the context of a struggle for a turn to democracy and social progress. Now that nationalization has become a priority demand of numerous trade unions in West Germany, the Party supports them but warns against illusions concerning the takeover of the means of production by the capitalist state. Willi Gerns, member of the GCP Board Presidium and Secretariat, writes, "We also resolutely reject the right-wing opportunist view that state enterprises under capitalism are already an 'element of socialism'. The working people cannot hope to gain any important advantage from mere nationalization under the economic and political power of big capital without democratic participation by the working class in management and without its control... That is why we, Communists, do not confine ourselves to demanding nationalization, but always back it up with the demand for democratic workers' control... However, even the transfer of some sectors of the economy to the state under democratic control does not, of course, amount to socialism or to an 'element of socialism'."¹³⁴ Gerns explains that to make the transition to a new social order possible, the laws by which the capitalist economy functions must be abolished; this, however, only working people's power can do.

Nationalization and democratic control are closely linked in "The British Road to Socialism", the programme of the Communist Party of Great Britain, which indicates that "industrial democracy becomes a reality with the development and extension of a new type of nationalization".¹³⁵ The U.S. Communists believe that "socialism starts with nationalization of the main branches of industry and finance... The principal means of production come under public ownership, that is, under the collective ownership of the entire working class, which has the leading role in building socialism."¹³⁶ "The Communist Programme" adopted by the 25th Congress of the Communist Party of Denmark, notes that the laws of

building socialist society demand that the means of production be taken over by the people.¹³⁷ The Communist Party of Greece believes essential a democratic control over the nationalized sector and actual participation in the management of state-owned enterprises by those who work there. It makes specific proposals which go beyond the framework of conventional social-reformist solutions. According to Canadian Communists, the essence of social and economic changes the country needs, must be the replacement of private monopolistic ownership by public ownership. "The Canadian Road to Socialism" demands democratic control over banking, crediting and trading spheres of the economy. The 14th Congress of the Communist Party of Japan stated that democratic economic planning and democratic control over Big Business would spell replacement of state interference of Big Business by that on behalf of the people and implemented through democratic control. The economic programmes that have been advanced by the Communists in Latin America, Asia and Africa, recognize the specific local conditions such as heavy economic dependence on imperialism, precapitalist survivals in the economy, and relatively low percentage of the workers in the social structure of the population. Even so, these documents contain the same principles, demands and guidelines.

The communist parties of various countries thus call for legal socialization of production (to the extent to which economic socialization has developed), and for democratic management of the economy. In these essential issues, Communists are united. True, they are aware of the need to develop in more detail the essence and mechanisms for implementation of these demands at every stage of the revolutionary process.

The differences in the views of the Communists on participation and the controversies around this issue are attributable to:

(1) the contradictions inherent in this phenomenon itself which are aggravated by the desire of the opposing class forces to interpret and use it in their own way, which is the essential root of the differences;

(2) the variety of historical traditions and today's conditions of the struggle waged by the working people in different countries; in particular, the demand for participation may grow on the grassroots level or be imposed from outside, for instance, by European Community bodies;

(3) participation or the demand for participation and workers' control have different meaning in specific countries, which de-

pends on the socio-political conditions and the successes scored by the working class in its struggle;

(4) the subjective factor, or reflection in the Communist conceptions of the traditions and experience of the struggle in a given country; the concept of most effective alternatives to bourgeois and reformist concepts has been developed.

Comparison of different views, notably those expressed in symposia and conferences, provides the common ground of the positions of Communists¹³⁸:

— "Production democracy" does not lead to socialism. Participation itself in managing capitalist production in any form does not resolve the key issues in transforming capitalist society into socialist society without changes in ownership (in economy) and power (in politics). True participation is only possible under socialism.

— The working class would even now constrain the rights of capital in production management and have a say in it. This objective need must not be ignored. The sphere in which the struggle for control is waged must not be confined to the traditional wage increases, shorter working hours or better working conditions. Limiting capital itself must be the issue.

— The struggle for expanding and effective influence on managerial decisions at every level is a major integral part in the struggle of the working class in defence and consolidation of its economic and democratic gains. In other words, although this influence cannot be realized to the full extent in the framework of capitalism, the struggle for its expansion is a major component in the fight for democracy and socialism.

— The rights of the working people in management can be expanded only through struggle which is the key component of expanding "production democracy", workers' control, participation in management, self-management, or whatever name is given to it.

— If the class struggle is the key to expansion of the rights of the working class in production management, in influencing it, then steps to improve the conditions of this struggle are essential. In particular, a major weapon in the hands of the working class is the accessibility of a maximum amount of information on the activities of the factory or industry. There are differences on ways to obtain this information but the need is universally recognized.

— Until recently the Communists neglected theoretical exploration of this issue in the light of the new circumstances that have

developed over the past two decades. A well-defined constructive alternative to bourgeois participation is needed.

The communist parties continue exploring the issue, the new environment and the new potential. This is not, however, the sole reason why the book must not end here. A brief afterword which might extend the range of issues discussed and pose some new questions which cannot be answered today in a final way, is made necessary by the very dialectics of life.

NOTES

¹*World Marxist Review*, No. 6, 1978, p. 80.

²*Ibid.*, No. 7, 1980, pp. 49, 50.

³L. Müller, "Democratic Participation and Control—A Class Demand of the Workers", *ibid.*, No. 5, 1980, p. 86.

⁴*Mitbestimmung als Kampfaufgabe*, p. 19.

⁵Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. Two, p. 16.

⁶*World Marxist Review*, No. 7, 1980, p. 44.

⁷*Ibid.*, No. 5, 1980, p. 90.

⁸*Ibid.*

⁹*Ibid.*, p. 89.

¹⁰*Ibid.*

¹¹*Ibid.*, No. 7, 1980, p. 49.

¹²*Ibid.*, No. 5, 1980, pp. 89-90.

¹³*Ibid.*, No. 7, 1980, p. 50.

¹⁴*Ibid.*, No. 5, 1980, p. 90.

¹⁵The same point is emphasized by Freddy Madsen, a member of the Executive Committee of the CC of the Communist Party of Denmark. He notes that it is important to see the direction in which the consciousness of the worker develops in the process of participation in specific conditions: "In Denmark there are cooperation commissions, whose influence is very weak, smaller than that of the production and supervisory councils in the FRG. When they were being formed (in the 1950s) the Communists told the workers that they should have no illusions about them. The only thing they could get, we said, was to change the colour of toilet paper. Nonetheless, we felt that the workers and our comrades should also go into these commissions. For two reasons: first because some information could be obtained that could not be received any other way; second it would be important to be present in these commissions and help the workers to acquire experience by learning what could and could not be achieved here. The impact of the workers' own experiences on their consciousness is, you will agree, also a problem. The party's stand justified itself: the vast majority of the trade unions and workers now say that the significance of these commissions is trivial and that the Social Democrats had misrepresented their role." (*World Marxist Review*, No. 7, 1980, p. 52.)

¹⁶*World Marxist Review*, No. 7, 1980, p. 50.

¹⁷*Ibid.*

¹⁸*Ibid.*

¹⁹*Ibid.*, p. 51.

²⁰*Ibid.* It is noteworthy that Rolf Knecht's address to the symposium produced a very strong impression. The participants of the symposium could see even from the very character of his address that this was by no means a person who might be inclined towards "social partnership", but a true self-sacrificing fighter for the interests of the working class. In a conversation with Rolf Knecht during intermissions at the symposium, we were able to become convinced that this was indeed so. His very biography is eloquent in this respect: the management of the enterprise sought to dismiss him, he was prosecuted in court, and attempts were made to bribe him, but he withstood all challenges and continues to enjoy great authority with the workers as he continues to struggle.

²¹*Vorschläge der DKP für Mitbestimmung...*, p. 51.

²²V.I. Lenin, *Collected Works*, Vol. 15, Progress Publishers, Moscow, 1977, p. 440.

²³In certain points this concept is similar to those of the Communist Parties of Luxembourg, Denmark and some other countries.

²⁴*Protokoll des 6. Parteitags...*, p. 62.

²⁵*Vorschläge der DKP für demokratische Mitbestimmung*, Düsseldorf, 2. überarbeitete Auflage, April 1985.

²⁶*Ibid.*

²⁷*Thesen des 8. Parteitags der DKP. Neue Fragen des Kampfes für Frieden und Arbeit—für eine demokratische Wende*, Parteivorstand der DKP, May 1986, p. 49.

²⁸*World Marxist Review*, No. 7, 1980, pp. 42-43.

²⁹*The British Road to Socialism. Programme of the Communist Party*, published by the Communist Party, London, printed by Farleigh Press, Ltd., Watford, Herts, 1978; *Comment*, Communist Fortnightly Review, London, Vol. 13, Nos. 24-25, pp. 410-11; *National Communist Party of Great Britain. 36th Congress. November 10-13th, 1979. Draft Resolutions*, Farleigh Press (TU), Watford, Herts, 1979, p. 4.

³⁰*World Marxist Review*, No. 5, 1980, pp. 86, 92.

³¹Gerry Pocock, "'Participation'—Market Style", *Morning Star*, June 25, 1975.

³²Bert Ramelson, "Public Ownership and Industrial Democracy", *Comment*, Vol. 3, No. 6, 1975, p. 82.

³³*World Marxist Review*, No. 5, 1980, pp. 92-93.

³⁴*Ibid.*, p. 94.

³⁵*Ibid.*, p. 96.

³⁶Bert Ramelson, "Union Card or Director's Car?", *Morning Star*, February 3, 1974; Derek Robinson, "How Democracy Must Be Extended to the Shop Floor", *Morning Star*, January 3, 1975.

³⁷*Evidence to the Committee of Inquiry in Industrial Democracy*, p. 1.

³⁸M. Costello, "Boardroom Workers", *Morning Star*, June 10, 1977.

³⁹*World Marxist Review*, No. 5, 1980, p. 92.

⁴⁰*Ibid.*

⁴¹"Communist Party of Great Britain, 34 National Congress", *Comment*, No. 24/25, 1975, p. 410.

⁴²*Evidence to the Committee of Inquiry on Industrial Democracy*, p. 2.

⁴³*L'Unità*, December 11, 1978, p. 2.

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- ⁴⁵Vittorio Foa, *Sindacati e lotte operaie (1943-1973)*, Loescher Editore, Turin, 1975, p. 209.
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- ⁴⁷Pietro Ingrao, *Masse e potere*, Editori Riuniti, Rome, 1977, pp. 385-86.
- ⁴⁸*Rinascita*, No. 23, 1982, p. 22.
- ⁴⁹Ibid.
- ⁵⁰Ibid.
- ⁵¹*L'Unità*, November 28, 1982, p. 12.
- ⁵²*Rinascita*, No. 10, 1985, p. 38.
- ⁵³Ibid., No. 2, 1985, p. 7.
- ⁵⁴S. Andriani, "Gli strateghi del fallimento", *Rinascita*, No. 41, 1986, p. 37.
- ⁵⁵See: *World Marxist Review*, No. 4, 1980, pp. 73-77.
- ⁵⁶Ibid., No. 5, 1980, p. 96.
- ⁵⁷Ibid.
- ⁵⁸"Communist Party of Great Britain. 34 National Congress", *Comment*, Vol. 13, Nos. 24 & 25, p. 408.
- ⁵⁹Bert Ramelson, "Public Ownership and Industrial Democracy", p. 82.
- ⁶⁰Ibid.
- ⁶¹"Communist Party of Great Britain. 34 National Congress", p. 409.
- ⁶²Ibid., pp. 410-11.
- ⁶³Bert Ramelson, "Public Ownership and Industrial Democracy", pp. 82, 84.
- ⁶⁴*World Marxist Review*, No. 7, 1980, pp. 57-58.
- ⁶⁵V.I. Maslov, "Collective Agreements and Class Struggle in the FRG", *Rabochy klass i sovremennyy mir*, No. 3, 1981, p. 106.
- ⁶⁶Ibid., p. 107.
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- ⁶⁸Ibid., p. 25.
- ⁶⁹Ibid., p. 18.
- ⁷⁰*World Marxist Review*, No. 7, 1980, p. 56.
- ⁷¹*Land og Folk*, January 26, 1982.
- ⁷²*World Marxist Review*, No. 7, 1980, pp. 54-55.
- ⁷³Ibid., No. 12, 1984, p. 55.
- ⁷⁴J.-C. Poulain, *Décider au travail*, Ed. sociales, Paris, 1979, pp. 26-27; *L'Autogestion: une stratégie révolutionnaire, une démarche au présent. Colloque des 6-7 et 8 juin 1980*, Institute of Marxist Studies, s.l., s.a., pp. 72, 153-57.
- ⁷⁵*L'Autogestion...*, pp. 13-14, 25-28, 136-37.
- ⁷⁶*Cahiers du communisme*, Nos. 2-3, February-March 1976, pp. 361-86.
- ⁷⁷Ibid., p. 370.
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- ⁷⁹*Economie et politique*, No. 257, December 1975, pp. 25-41.
- ⁸⁰*World Marxist Review*, No. 7, 1980, p. 45.
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- ⁸²Ibid., p. 45.
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- ⁸⁸Jean Lojkin, *La classe ouvrière en mutation*, Messidor: Ed. sociales, Paris, 1986, p. 16.
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- ⁹⁹Ibid., pp. 10-11.
- ¹⁰⁰Ibid., p. 67.
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- ¹⁰²*L'Autogestion...*, p. 140.
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- ¹⁰⁵Ibid., p. 157.
- ¹⁰⁶Ibid., pp. 286-87.
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- ¹⁰⁸Ibid., p. 64.
- ¹⁰⁹Ibid., pp. 72-74.
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- ¹¹²Pierre Joye, "Autogestion et cogestion", *Cahiers marxistes* (Brussels), No. 36, June 1977, pp. 1-10.
- ¹¹³Karl Marx, Frederick Engels, *Collected Works*, Vol. 20, p. 12.
- ¹¹⁴Pierre Joye, "Autogestion et cogestion", p. 1.
- ¹¹⁵Ibid., p. 8.
- ¹¹⁶V.I. Lenin, *Collected Works*, Vol. 33, pp. 467-475.
- ¹¹⁷*World Marxist Review*, No. 7, 1980, pp. 53-54.
- ¹¹⁸A. Cunhal, *A revolução...*, pp. 77, 80.
- ¹¹⁹According to the division in periods presented by Antonio Correia, a Communist researcher, at the symposium in Leverkusen.
- ¹²⁰*O Militante*, No. 2, 1976, p. 22.
- ¹²¹*VIII Congresso do PCP. 11 a 14/Nov./1976*, Editorial "Avante!", Lisbon, 1977, p. 246.
- ¹²²A. Cunhal, op. cit., p. 84.
- ¹²³Ibid., p. 85.

- ¹²⁴ *World Marxist Review*, No. 2, 1978, pp. 56-57.
- ¹²⁵ Frederick Engels, *Anti-Dühring*, Progress Publishers, Moscow, 1975, p. 318.
- ¹²⁶ *Ibid.*, p. 319.
- ¹²⁷ *Ibid.*, p. 320.
- ¹²⁸ V.I. Lenin, *Collected Works*, Vol. 9, 1977, p. 312.
- ¹²⁹ *World Marxist Review*, No. 3, 1978, p. 57.
- ¹³⁰ Karl Marx, Frederick Engels, *Collected Works*, Vol. 10, p. 578.
- ¹³¹ Georges Marchais, *Parlons franchement*, Bernard Grasset, Paris, 1977, p. 44.
- ¹³² Philippe Herzog, *L'Economie nouvelle à bras-le-corps. Economiser le capital pour libérer les hommes*, Second Edition, Messidor/Ed. sociales, Paris, 1984.
- ¹³³ *Révolution*, No. 240, October 5-11, 1984.
- ¹³⁴ *World Marxist Review*, No. 10, 1985, pp. 98, 99.
- ¹³⁵ *The British Road to Socialism*, p. 15.
- ¹³⁶ *New Program of the Communist Party U.S.A.*, New Outlook Publishers, New York, 1970, pp. 96, 97.
- ¹³⁷ *Kommunisternes program*, p. 63.
- ¹³⁸ These are not the common points noted by the author of this book but highlighted by Communists from several countries (West Germany, Great Britain, Belgium and some others) in the course of the above-mentioned discussions as they spoke of participation from different positions.

AFTERWORD

The socio-economic phenomenon which has developed and become a significant fact of public life in mid-1940s through mid-1980s, cannot be discussed outside the framework of theoretical and practical issues on which the discussions centre in the communist movement over the past years, such as the most urgent tasks of struggle and roads to socialism; ways to introduce social changes; common features of the social process. Extensive search is underway for new ways of mobilizing the masses, of more vigorous advances when conditions for "really mass and really revolutionary struggle *do not yet exist*" and, as V.I. Lenin noted, it is especially hard to be a revolutionary, "to be able to champion the interests of the revolution (by propaganda, agitation and organization) in non-revolutionary bodies, and quite often in downright reactionary bodies, in a non-revolutionary situation, among the masses who are incapable of immediately appreciating the need for revolutionary methods of action".¹

The core of the strategy and tactics of the communist parties in the struggle for revolutionary change is a strictly realistic sound definition of the stages and the associated goals, a clear vision of what tasks can and must be tackled today, what can and needs be done tomorrow and how to lead the masses to socialism, the ultimate goal.

A new social system, Marxist-Leninist theory insists, is not decreed. It grows from the old society but not on its own. Rather, it is created by the broadest masses. Before the October Revolution Lenin said on numerous occasions and in different ways that what the revolutionaries had to do was "not the application of certain 'theories' (an illusion against which Marx always warned social-

ists), but implementation of the most extreme practical measures".² After the socialist revolution he categorically and sharply opposed "imposition" of socialism when the conditions were not right.

Outstanding figures of the world communist movement reiterated this point on numerous occasions. Rosa Luxemburg wrote that the proletarian revolution "is not a desperate attempt of a handful of revolutionaries to remodel the world according to their ideals but an action of millions who are called ... to turn the historical need into reality".³

Realism in stating revolutionary tasks is one of the most important testaments of Karl Marx and great Marxists. Only accurate evaluation of the ripeness of the objective conditions and the readiness of the working people to carry out radical social changes, the need of which is dictated by their own experience, make it possible for the Communists to formulate correctly the short- and long-term objectives and determine the next step.

In their theoretical search, communist parties strictly divide long-term objectives, and the strategic and tactical guidelines into at least three major classes:

- immediate objectives which are within reach today and are associated with the defence of the rights already won by the working people, assuaging for them the detrimental consequences of the scientific and technological revolution which generates under capitalism mass unemployment, relieving the burden of the crisis, struggle for directing the socio-economic development in the interests and under the increasingly strict supervision of the working people;

- intermediate objectives which would require profound democratic changes that do not result in socialism but break away from the objective logic of capitalist functioning, limit or destroy the economic and political domination of monopolistic capital; these objectives can, as a rule, be achieved at an intermediate stage;

- socialist changes which amount to complete rejection of capitalism and the advent of new social relations based on public ownership of the means of production and the power of the working people.

Communist parties emphasize in their documents that in this approach it is more important than ever before to combine the struggle for democracy and the struggle for socialism the close linkage of which manifested itself in the past and has a history and traditions in the working-class movement.

Back in the 1960s, the communist movement worked out today's view of the intermediate stage as a period of anti-monopolistic, or advanced, democracy.

The conception of anti-monopolistic democracy took hold when monopolistic capital fairly easily obtained high profits and, in pursuance of the strategy of bourgeois-reformist adaptation, made significant concessions to the working people. The socio-political rights won by the working class nourished hopes for further development of the democratic process and, bringing to bear an increasing pressure on Big Business by all anti-monopolistic forces, for the transition to a qualitatively new level of democracy possible both in society and in production. The events did not, however, pass as smoothly as expected. Big Business became less yielding. Moreover, it became aggressive, curtailing, rather than expanding, the rights of the working people. What is also important, solid unity of anti-monopolistic forces has not become a reality in any country. The deeply embedded conflict between the monopolies and the people does not in itself bring about an anti-monopolistic coalition because of the differences of the specific interests of the social forces and public movements which confront Big Business.

In the face of such problems, the communist parties adopted various flexible approaches to fine-tune their programmes.

While maintaining its course towards anti-monopolistic democracy, "a turn towards democratic and social progress" which would be the beginning of that stage, the German Communist Party made its position more specific. The alternative programme for the 1980s, the development of which began at the Sixth Congress in 1981, was updated at the Seventh Congress. It adopted the 1984 Programme of Action, "For Peace and the Right to Work".

The programme is addressed to broad democratic forces (the anti-war movement, trade union, new public movements, women's and youth organizations). It formulates the task of creating a "counter-action potential" which could check the rightward shift and "get the country on proper track by ousting the right-wing coalition from power". The programme thus focuses on urgent issues, on the struggle at the grassroots level against the rightist conservative regime. In the struggle for peace, the Party is prepared to cooperate with the widest range of social and political forces including bourgeois strata, in order to isolate those forces which rely on armaments and intensification of military tensions. These amendments in the programme concentrate the attention

of the working people on ways to move towards anti-monopolistic democracy, on the conditions for a "turn" towards democratic and social progress, on what needs to be done today.

Other communist parties tend to concentrate on fighting the most reactionary strata of the bourgeoisie and their political leaders, the "conservative counter-revolution", one of the worst forms of state-monopolistic capitalism. Communists call on the broad social strata to cooperate and fight together. Consequently, the strategy may be worked out for several, rather than one, intermediate stages in the struggle for the final objective.

Most Latin American Communists believe that the revolution in their countries will be initially democratic, anti-imperialist and anti-oligarchic. The first priority, in their view, is the struggle for democracy but not for merely its restoration where it was crushed by dictatorial regimes; rather, for an advanced democracy which would make power accessible to broad strata of the working people. According to Luis Corvalan, "We are not engaged in replacing fascism and the establishment of a socialist state or a typically bourgeois regime. In other words, the choice is not between fascism and socialism or simply between fascism and bourgeois democracy. What is needed is a new democratic, popular and national regime which would favour and promote changes that follow from the objective necessities of the social progress."⁴

The French Communist Party demonstrates a largely different approach. It has essentially jettisoned the slogan of "advanced democracy" and developed at its 23rd, 24th and 25th congresses a line which is summarized by the slogans, "The Future Begins Today" and "Socialism Is on the Agenda". The strategy is to work "for a new unity of the majority of the people" with a view to overcoming the crisis and to fighting for a socialist restructuring of society. The intermediate stage is left out but the proposed specific measures confirm that the approach is a realistic one and the Communists realize the complexity of the process.

In effect, the communist parties make new efforts for more sophisticated strategies of struggle for a better future of their peoples and want to respond more flexibly to the changing environment.

In recent years the communist parties had to work out, although this is by no means an easy task, a sound stand on processes which occur in capitalism today such as scientific and technological revolution and socialization of production. Communists know full well that to adopt a principled class position today is to reject outright the capitalist uses of the scientific and technological revolution,

of progress at the expense of the working people for the benefit of capital. They are also aware that this is just a most general position which has to be made constructive and specific.

Julio Laborde, member of the Central Committee of the Communist Party of Argentina, told the international conference on the dialectics of economics and politics in revolution: "Our Party has a programme for a radical solution of the problem. This is a programme for a democratic, agrarian and anti-imperialist revolution leading to socialism. These are not just generalizations. We believe it necessary to work out our national draft down to the last details, taking into account all the resources needed to carry out the proposed measures, and the financial sources... The question may arise, why is it that we Communists, not yet in power, deem it necessary to plan not only general reforms, but even elements of the infrastructure? We believe this is important so as not to start improvising when the working class and its allies come to power and, likewise, to show all the people that a realistic solution exists to the problems facing the country... The vanguard of the working class must demonstrate its ability to run the country in every sphere."⁵

The communist parties study in depth contemporary capitalism, especially its economic basis. Still, development of the strategy and tactics in the context of a new level of socialization of production (multinational corporations and integration) and the new stage of scientific and technological progress (industrial robots, microprocessors, etc.), will need a significant investment of efforts and extensive cooperation with other left forces.

The complexity and gravity of the situation lies in that the Communists cannot oppose objective processes such as production socialization and its rationalization in the course of scientific and technological progress. On the other hand, under capitalism these developments inevitably result in increased (in some cases, on an explosive scale) unemployment, more cruel exploitation. Communists cannot avoid proposing measures to protect the working people from such consequences. However, they are aware of the limited nature of these measures because unemployment and inflation cannot be overcome as long as capitalism exists. They are its main levers which benefit accumulation of capital rather than side-effects. They are also fully aware of the fact that the masses are not prepared yet to fight to change the existing system.

Exploration of ways to limit the power of Big Business, theoretical substantiation of the possibility to change some economic

mechanisms to make them function for the benefit of the working people rather than of the monopolies, would be very useful. But certain complexities may arise if the problem is viewed in terms of political economy. Moreover, is not there a good deal of novelty in the theoretical approach to social progress in our time?

Mankind, apparently, is at a crossroads. For the first time in history a document has been signed, which is designed to reverse the arms race. For the first time new political thinking and the logic of common interests of humanity have prevailed over the national and class interests. Reason has triumphed over the uncontrolled conflict of these interests. And if the development goes on as it has started, even though it has to overcome stupendous obstacles in its way, does not it signal the beginning of a new era in the history of mankind, an era of really civilized and humane relations among nations, each of them freely choosing its own path and respecting the choice made by other nations?

But if the need for this change has ultimately emerged, and the realities of the world today impel mankind to see that it is integral, is not the very model of world development, which had taken shape before, changing, too, in all spheres? This is an urgent theoretical question today.

Marxist-Leninist revolutionary theory, based on the idea of conscious transformation of the world through the cognition of objective laws governing its development, has found itself at a major turning-point. It is not merely to take into account some or other new phenomena and processes and fit them into the system of established notions. We will have to decide a far more complex problem of integral comprehension of the development of the world community in the new conditions, when all relations in the world are more consolidated, when there have emerged goals and interests common for the whole of mankind, which nevertheless are still impeded by national, class and group contradictions, when settlement of these contradictions by armed force can spell death to the human race, but which cannot be left unresolved... Today, we are faced with the fact that theoretical and practical answers to specific questions concerning the struggle for peace and social progress, and solution of practically all meaningful social and political problems, are compounded by inadequate knowledge of the general tendencies, possibilities, variants and laws governing the development of the world community of people.

The question of current changes in the content, direction, rate, and forms of social progress in the modern world was raised in

literature before.⁶ It has been noted that the idea of a rapid worldwide growth of the revolutionary process, formulated in the past, just like the hopes for a quick economic victory of socialism over capitalism, were based on underestimation of the potentialities of capitalism, in particular, its use of the scientific and technological revolution and attainment of the international level in the socialization of production. But this problem is yet to be elaborated theoretically. Do not we understand social progress too narrowly, often reducing it almost entirely to the transition from one social system to another? Meanwhile, such progress is possible and necessary during a long period of coexistence of different social systems. Are not we faced with the theoretical problem of qualitative changes within capitalism and socialism in the course of their peaceful competition, interaction and mutual influence? What can be regarded today as the chief criterion of social progress, and can it reveal itself in the competition between the two systems?

The new demands largely change ways and forms of the social renovation of mankind and create the new ones. The movement of countries from one system to another as a result of national revolutionary eruptions is becoming only a "special case". The logical succession of social systems will, evidently, proceed not only on a larger historical scale with considerably wide diversity in the ways of transition, but also on a broader global scale, by proving the advantages of new forms of social life to the whole world community, through steady changes in all spheres of its existence. This process will be developing through a close combination of national and international efforts. The extent of the transformation of the entire world system and the rate of advance by the forces of democracy and progress in individual countries are related closer than ever before.

Today, it is evidently safe to say that social progress is expressed in the extent to which man stands out among the productive forces, revealing ever more fully his human qualities — intellectual, moral and creative — becoming the master of production, rising over it, and acting not so much as an instrument, but as the purpose of production. The reproduction of man is in this case an all-round development of the individual having broader knowledge, greater creative abilities, and higher morality. The extent of man's advancement along this path, with "world-historical, empirically universal individuals" succeeding all the previous types of the individual, can and will serve as a criterion allowing one to compare

the historical movement of socialism and capitalism and their possibilities.

Reunion of labour and property lies at the basis of the entire development of the universal and gainfully employed person. Capitalist production, writes Marx, negates individual property, but as a natural process it gives rise to negation of itself. "This does not re-establish private property for the producer, but gives him individual property"⁸ on the basis of cooperation and common ownership of the means of production. Thus, the individual triumphs in the social, according to Marx. We should apparently give more thought to the dialectics of the social and the individual also in this context suggested by Marx, all the more so since the form of public property, or state property, under socialism has been largely discredited as "no man's property".

It must be taken into account that decentralization, or scattering of property, takes place in modern industrialized societies (albeit in different forms and on different social bases) and, significantly enough, not so much in the backward sectors of the economy but in more advanced ones operating on the basis of latest technologies. There is a search for managerial and organizational forms (considering their relationships with the macroeconomic structures of corresponding societies), which would open up new opportunities for revealing and developing the working man's productive activity.

The growing socialization and the process of decentralization are not isolated and opposite trends in modern socio-economic development. It would be more correct to regard them as necessarily interrelated aspects of transition from an industrial to a scientific and technological type of the economy, from the worker who is a partial executor and the main mass figure in production to the worker who creates, who is the subject of all labour and a new major productive force.

Socialization and decentralization and their complex interrelationship give rise to a new diversity of socio-economic forms, to a special kind of a multi-structural society whose components are the product of modern development rather than relics of the past which for some time were able to coexist with more advanced social structures.

One of the most important propositions of Marxist-Leninist theory is the conclusion that the working class, which had grown with the rise of industrial capitalism, has the key role to play in the social renovation of mankind. This conclusion has been borne out by

the course of world development in the 20th century and by the birth of socialism itself. But its true theoretical and practical significance is revealed only when it is interpreted in terms of a definite period of history. This, in turn, suggests answers to a number of important questions: how is the structure of the working class changing in connection with the development of productive forces? What groups and contingents of workers form the nucleus of the class in one or another period of history? How are the requirements, interests, the cultural level, and the socio-political forms of activity changing among various groups of the working class?

It is obvious that the scientific and technological revolution that is gaining momentum in the world today and the profound change in social priorities make us look at many things in a new way. Without making an in-depth analysis of all these questions and not looking into the substance of numerous conflicting conceptions, we shall note the following.

It is evident that the scientific and technological revolution enhances the significance of man's labour which brings into play and operates a growing number of material agents. But what kind of labour is it? Manual and unskilled labour that was used prior to the scientific and technological revolution is, indeed, being ousted from production, while the role of labour which is becoming increasingly intellectual—scientific and technological labour that transforms natural and production processes and creates social values—is growing. The working class is changing. Is not the notion of "aggregate worker" expanding today, comprising not only engineers and technicians, but also scientists, and people of various walks of life, including those who were traditionally related with the "unproductive sphere"? As we know, today they exert an ever more direct impact on production, and on all conditions of man's activity, and on reproduction of man himself.

Now a theoretical and practical need arises in the analysis of the new experience, with more attention being paid to the part of political economy which would cover the prerevolutionary period, the economic processes which lead to socialist changes, as well as the transition period. Among these are changes in economic relations associated with the prospect of the working people participating in production management.

The issue which we raise in conclusion of this book obviously needs still more insight and thorough examination.

It is today increasingly clear for Communists that the technological change and other economic developments which bring

about, in addition to higher labour productivity, negative social consequences for the working people, are not only *objective* trends dictated by the development of productive forces and scientific research but also the results of social *choice*, of Big Business' *strategy*. True, the choice itself stems to a decisive degree from the logic of the functioning of the system in which profit, or capital increases, is the direct aim of production and its efficiency criterion. Still, because the role of choice is great and undoubtedly grows with the expansion of production socialization and the setting up of various national and supranational mechanisms for coordination of economic development, the course of events is not confined to one possible track. The choice to be made by Big Business and its strategy may be contrasted with an alternative which would recognize the interests of the working class, other strata of the working people, and the entire population to a greater degree than it is done now. The struggle of the working people may turn the events into a direction more advantageous to them, not only eventually but also within the framework of the existing system. This theme is ever more pronounced in documents adopted by communist parties and is exceedingly important for the reason that it instills confidence in the results of struggle not only in the remote future but in short term. It is important because it draws on the potential for social activity of the masses and, ultimately, their transforming the society.

Marxist-Leninist theory and the entire experience of the Communist movement teach us that in the class struggle no battlefield must be ceded. This is true of even the bourgeois state institutions such as parliaments, governments and local bodies. Communists do their utmost to defend the day-to-day interests of the working people and their rights and, as soon as the opportunities offer, to win the commanding positions. Communists cannot avoid struggling in the field where capital is in direct confrontation with the working class, where it is concentrated, organized and can exert real influence, i.e., in factories, in participation bodies where workers have already won certain positions. What is needed is that participation should not be allowed to degenerate into behind-closed-doors negotiations between representatives of labour and the employers but backed by the entire might of the working class movement.

NOTES

¹ V.I. Lenin, *Collected Works*, Vol. 31, Progress Publishers, Moscow, 1977, p. 97.

² *Ibid.*, Vol. 23, 1977, p. 330.

³ Rosa Luxemburg, "Was will der Spartakusbund?", *Gesammelte Werke*, Vol. 4, Dietz Verlag, Berlin, 1974, p. 445.

⁴ Luis Corvalan, *Tres períodos en nuestra línea revolucionaria*, Zeit im Bild, Dresden, 1982, p. 212.

⁵ *World Marxist Review*, No. 5, 1978, p. 26.

⁶ See: *Kommunist*, No. 2, 1988, p. 7, ff.

⁷ Karl Marx, Frederick Engels, *Collected Works*, Vol. 5, Progress Publishers, Moscow, 1976, p. 49.

⁸ Karl Marx, *Capital*, Volume I, Progress Publishers, 1984, p. 715.

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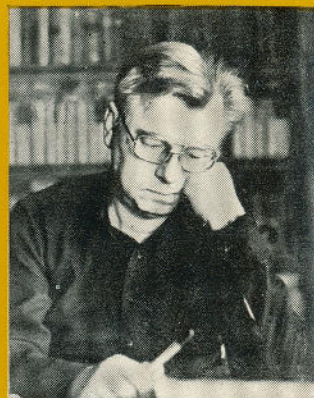
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